



Review of international assistance to political party and party system development

Case study report: Nepal

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Executive summary

Nepal's political context remains highly shaped by its recent history of internal conflict, caste and ethnic divisions, and periods of authoritarian rule interspersed by shifts to multi-party rule (with the latter often characterised by unstable government). The signing of the Comprehensive Peace Accord (CPA) in 2006 between the Government of Nepal and the Maoists signalled the end of large scale violence, the re-establishment of competitive multi-party politics, the end of the monarchy, and the beginning of the Maoist transformation into a political party.

In light of these factors, there is general agreement on some of the key weaknesses of, and challenges for, political parties in Nepal today. These include the dominance of patronage relationships and the centralisation of party elites, a lack of transparency in party financing, high degrees of factionalism and splits, and the politicisation of civil society often linked to political party affiliation. These challenges have wider implications too. This includes the use of state resources by parties in power to increase their patronage reach and consolidate power, risks of insecurity as a result of instability between power sharing partners, a lack of effective representation for marginalised groups and increasingly 'uncivil' protest (Hachhethu 2008).

In light of these complexities, the ongoing peace process around the CPA and the relative youth of some parties, there are few examples of direct assistance to political parties in Nepal, although there are a number of programmes which engage political parties in various ways. For this study, we have therefore broadened our analysis to include a range of ways that external actors have worked with, supported and engaged political parties in Nepal in recent years.

Four main areas have been identified. Firstly, political parties have been engaged in support to policy dialogue, primarily centred around the constitution process and the peace process. Secondly, parties have been involved in activities to support greater social inclusion. Thirdly, external actors have been involved in political engagement and brokering with political parties, and fourthly, there has been a limited amount of technical assistance support specifically aimed at political parties.

A number of lessons emerge from our analysis. Regarding processes of policy dialogue in Nepal, facilitating greater dialogue between parties was seen as particularly useful in light of the peace process, but questions were raised as to who these processes were targeted at and whether they, in practice, involved key decision makers. Social inclusion was also recognised as a key priority in Nepal, for political parties per se and more broadly. A number of proposals were put forward for how this could be strengthened, including more explicit work with parties on social inclusion and more nuanced work for example on gender equality (including working with male as well as female party members). Respondents raised the need to pay greater attention to the potential trade-offs between supporting civil society groups representing marginalised groups such as the Madheshis or Janajatis (who may then seek to form new parties) and working with existing political parties to encourage greater inclusion.

Technical assistance to political parties has been limited to date, although there are plans to develop new joint donor support for political parties in this area. In interviews, questions were raised as to whether technical approaches such as those proposed can address the highly political challenges for political parties in Nepal. The need to understand parties' incentives and drivers of change was flagged as particularly key.

A number of Embassies already undertake regular political engagement with a range of political parties, particularly focused on party leadership. While there was some evidence of more cross-government working for some external actors' involved, in general there was a common view that donor agencies in particular were not well equipped to engage with political parties and processes, in part due to capacity constraints and in part due to a lack of expertise in political analysis and different forms of political engagement. Overall, there was a strong sense that the risks for providing support to political parties in Nepal are potentially high and

need to be carefully considered before further support programmes are developed. This is linked to the need to develop much more robust measurements of impact, and to ensure more realistic objectives from the start of any programme.

With this in mind, there are a number of key issues that any future programme should bear in mind:

- Understand and try to work with the incentives of political parties. There remains a pressing need to better understand the realities of incentives for political parties in Nepal and to tailor support accordingly.
- Recognise the importance of a process-driven approach. Seeking to work with incentives might mean adopting a more process driven approach, with in-built flexibility to respond to the changing context and an emphasis on trust building and brokering as much as conventional capacity support.
- Ensure strategies to manage risks. There seems to be a strong need to establish thorough analysis of risk, to assess when and how parties can best be engaged moving forward. As part of this, external actors need to pay attention to public and party perceptions which may be highly sceptical of support to political parties.

1 Introduction

In theory, political parties play a central role within well-functioning democracies, aggregating and representing citizens' interests and formulating policy agendas that can respond to citizens' concerns. In practice, in many countries – especially developing countries – political parties are weak and disconnected from the policy process, and struggle to connect with or represent citizens and their interests. Despite understandable sensitivities about intervening in processes that are clearly political, donors are increasingly aware that political parties need to be part of the jigsaw of effective governance, and are in the process of working out how best to provide support for, and engage with, political parties and party systems.

This case study is part of a research project funded by DFID and the FCO. The overall objectives are to explore the experience of international support to, and engagement with, political parties in four countries and one regional context, to identify country-specific examples of good, bad or 'better' practice and draw out lessons going forward. This study is based on fieldwork conducted in Kathmandu in April 2010, involving interviews with a range of relevant stakeholders including representatives from political parties, donor agencies, implementing organisations and academia. A full list of interviews is available in Annex 1.

2 The political context in Nepal

Nepal's political context remains highly shaped by its history of conflict, caste and ethnic division, and periods of authoritarian rule. These have shaped the context for development, and for the role of political parties, in a number of significant ways.

At the beginning of the twentieth century, the dominance of the Rana family established a political culture of subservience and patrimonial relations between rulers and the ruled, as well as establishing prescribed hereditary roles for different castes (Gellner 2007). The Ranas were overthrown in 1951 but elements of the caste system they reinforced exist today. In 1959, a new constitution was formalised which recognised multi-party democracy, leading to the election of the Nepali Congress Party (NC). However, NC were overthrown just 18 months later by the new King who established the *panchayat* system of governance. The *panchayat* system opposed the autocracy of the Ranas but also opposed the so-called 'foreign ideology' of political parties (Gellner 2007). It emphasised the leadership of the King combined with bottom-up representation through village councils (the *panchayats*); Hinduism was also established as the state religion during this period (Ibid.).

The 1980s saw growing discontent with this regime, in part because of increasing awareness of the contradictions between the discourse of national economic development and emerging realities of corruption and stagnation within the Nepali state (Ibid.). Thus the banned NC party and the Communist Party joined forces to protest in the first '*Jana Andolan*' (public protests), contributing to the collapse of the regime in 1990 and the reinstatement of multi-party democracy.

A new constitution was subsequently ratified, which established Nepal as a constitutional monarchy and reintroduced party competition. Despite initial optimism, emerging realities of intra-party splits, patronage and horse-trading between parties were seen as undermining perceptions of democracy within Nepal. From 1994 to 1999, Nepal experienced eight changes of government, so that "The frequent changes of government led people to believe that Nepali politics had degenerated into a naked struggle for power" (Hachhethu 2007: 134). The so-called 'People's War', launched by the Maoist grouping, from 1996 to 2006, was a response to this degeneration and the accompanying corruption and instability (Subba 2006: 31). The conflict led to heavy costs for Nepal - more than 10,000 are thought to have lost their lives as a result, with many more injured and around 200,000 thought to have been internally displaced (Lawoti 2005: 61).

In 2005, the monarchy became increasingly assertive, leading to King Gyanendra re-establishing absolute royal rule through a coup. In response to this, in 2006, another popular uprising (*Jana Andolan II*) overthrew the King. The subsequent Comprehensive Peace Accord (CPA), signed between the Government of Nepal and the Maoists, grew out of talks between an alliance of the major parliamentary parties' (known as the Seven Party Alliance, SPA) and the Communist Party of Nepal (Maoist). Signed in 2006, it formally ended the conflict, allowing the Maoists to take part in government (see Box 1).

Box 1: Key features of the CPA in Nepal

- Formal end to armed conflict
- Election of a Constituent Assembly, with an interim government and legislature, and interim Constitution as the means towards the elections and the development of a new Constitution
- End of formal powers of the monarchy, with the continuity of the institution to be decided by the first meeting of the Constituent Assembly
- Emphasis on both sides' commitment to multiparty democracy, human rights and transitional justice
- Maoist army put in temporary cantonments and Nepal Army confined to barracks, with UN arms monitoring
- Commitment to restructure the state and end unitary system
- Commitment to social and economic transformation (including a more inclusive state, land reforms, better governance and the promotion of national industries)

Source: CPA 2006, ICG 2006

Nepal remains one of the poorest countries in the world, with per capita income of \$447 per annum, large income disparities, and limited access to basic services for much of the population (ADB 2009). Nevertheless, Nepal has made some progress in tackling poverty, which reduced from 42 per cent in 1996 to 31 per cent in 2004, and it remains on track to meet the Millennium Development Goal targets in improving poverty incidence, gender disparity in primary and secondary education, child mortality, and maternal health by 2015 (Ibid). Nepal remains highly aid dependent, with an estimated 60 per cent of Nepal's development budget donor-financed, much of which is provided in the form of project aid (Chapman et al 2007).

A recent United Nations (UN) Human Development Report highlights ongoing discrimination as a key development challenge (UNDP 2009). A new Civil Code was established in 1963 and declared the end of the caste system, but in practice this system exists today, with the Brahman caste occupying the top ranks, the Dalits at the bottom, and a range of ethnic groups including the Janajatis occupying the middle ground (UNDP 2009). Alongside caste, other forms of exclusion have also taken root in Nepalese society and the political system (see table 1).

Table 1: Dimensions of exclusion in Nepal

Category Status	Gender	Caste	Ethnicity/ Race	Language	Religion	Geographic
Dominant	Men/Boys	Tagadhari: Brahman/ Chhetri	Caucasoid	Nepali	Hindu	Parbatiya (Hill dweller)
Subordinate	Women/Girls	Dalit	Janajati/ Mongoloid	Other	Non-Hindu	Madheshi (Plains dweller)

Source: WB/DFID 2006

These are cross-cutting, so that, for example, a Dalit woman from a marginalised region faces multiple layers of discrimination. According to UNDP, since 1990 “Although human development has improved at the aggregate level, the gap between the advantaged regions or caste/ethnic groups and the disadvantaged is either widening or remains constant “ and this means that “...the Dalit, Muslim and Janajati who have had lower levels of human development for generations, continue to suffer today” (UNDP 2009: 48).

3 What problem does support to political parties address?

This section analyses the nature of the context for political parties in Nepal and the extent to which external actors’ support and engagement with parties responds to this context. It firstly outlines the development of political parties and some of their key weaknesses and challenges, before turning to an analysis of the aims and objectives for international assistance to political parties. Emerging from this is a complex view of multiple objectives and approaches. While there is a variety in terms of how well attuned external actors are to context, most of the approaches analysed seem to attempt to engage with the key challenges for political parties, and this may reflect the nature of the peace process and the resulting recognition of the centrality of politics to this process.

3.1 Political party development

A number of the historical and cultural features above shape the nature of the political system, and of political parties, today. This is reflected in the dominance of factionalism, the existence of patronage and the centralisation of elites, and challenges of identity and the politicisation of civil society. These pose significant challenges to the development of functioning and effective political parties.

Firstly, many political parties in Nepal have histories of splits and divisions, for both personal and ideological reasons. In part, this reflects a lack of internal processes for mediating conflict and dissent, as political parties divide rather than seek to accommodate the interests of a range of members (UNDP 2009). This has been reinforced by highly personalised leadership. In contrast, some of the most successful political parties (including the UCPN Maoists and the CPN UML) have been able to hold most of the party together and to successfully co-opt other parties. Overall, the dominance of factionalism has contributed to ongoing instability particularly where coalition governments have collapsed due to the splintering of party factions.

A second cross-cutting feature is the extent to which parties have sustained their power base through patronage, with systems established to link rewards to party clients in exchange for services. This has generally excluded the masses, focusing on the most affluent or influential: “This is, therefore, like a market-exchange system – ‘votes for favours’ and ‘favours for votes’ – between the power-brokers and the party” (Hachhethu 2007: 154). In light of the history of banned parties and underground movements, most of the ‘rank and file’ members of political parties have come to see access to power, privileges and resources as their ‘pay-off’ for previous struggles, reinforcing this cycle (Ibid). Hachhethu argues that while parties in Nepal present themselves as ‘agents of social change’, this is eroded where parties are seen as the basis for accessing power and resources, contributing to the “narrowing down of the political space, making it the exclusive domain of power holders and power brokers only” (Hachhethu 2007: 173).

This has contributed to a lack of transparency over party finances and, according to a recent report, “Nepal’s political parties’ finances are shrouded in mystery” (TI Nepal 2010: 8). There have been few limits to funds spent during elections, as the National Election Commission has been unable - or unwilling - to enforce proscribed limits; and parties have routinely ignored commitments to the mandatory disclosure of annual accounts to the National Election

Commission and to the public (Ibid.). Therefore “It is almost impossible to obtain accurate information on political financing by examining official reports, since a significant percentage of funding is not likely to be reported by parties” (Ibid.). In part, this reflects the fact that parties are accustomed to working secretly, as they did during periods when they were banned, and partly due to a lack of state institutions able to hold the Executive (and ruling parties) to account.

Thirdly, caste and cultural factors continue to play significant roles. Despite some efforts for greater social inclusion under the CPA, central government in Nepal remains dominated by small numbers of male members of select families, all from dominant castes (Krämer 2007: 180), and this is reflected in the leadership of political parties. At the same time, civil society is highly politicised and civil society groups are themselves often affiliated to political parties.

This politicisation of civil society is particularly prevalent in relation to issues of social exclusion. All political parties have affiliated youth wings, women’s groups and trade unions and in recent years, there has been a rise in politically organised ethnic and cultural groups. The Janajatis, for example, are arguably the most prominent and well organised of these marginalised groups at present (compared to the Madheshis or Dalits). They have mobilised to call for greater political inclusion, including greater political representation, calls for federalism and the promotion of marginalised cultural identities and language. A number of marginalised groups have received significant levels of support from donor agencies and have sought to influence the programmes of political parties in different ways.

Finally, external actors such as India are seen as playing significant roles in the development of (some) political parties. For example, India is viewed as playing a facilitating role in 2005 to bring together political parties including Maoists, but also as contributing to bringing down the Maoist-led government and supporting a new government in 2009. Political leadership in Nepal has at times been criticised as too subservient to India and the Maoists, for example, have criticised the role of India in Nepali politics (while also recognising that they will struggle to form government without Indian support). The increasing involvement of China may, however, contribute to greater independence from India in the future.

3.2 Parties in Nepal today

The CPA established an interim constitution and a process for drafting a new constitution, to be completed in two years. This deadline was not met, and has been extended by a year, through a constitutional amendment. Elections were delayed but held in 2008; 74 parties were registered with the National Election Commission, of which 54 actually contested. 8 won seats under the FPTP system and a further 16 under PR (recent party splits have slightly changed the current composition, see Table 2).¹

Following the 2008 elections, the Maoist Party led a coalition government with UML and other left wing affiliated political parties for nine months, with NC in opposition. This government was dissolved, however, following controversy over the (Maoist) Prime Minister’s decision to sack the army chief for insubordination, which led some coalition partners to withdraw their support. A coalition government of 22 parties (united in their opposition to the Maoists) was subsequently formed, led by UML and with support from NC, with the Maoists as the main party in opposition.²

¹ The Interim Constitution set out an electoral system for Constituent Assembly elections, based on a ‘mixed system’ with one member in each of the 240 geographic constituencies elected under First Past the Post, 335 through PR list system, and 26 nominated by the government, with a certain proportion of women, and of certain marginalised groups (Dalits, those from ‘backward regions’ and from oppressed caste/indigenous groups) to be elected (International IDEA 2010).

² In April 2010, the Maoists launched a series of public protests in opposition to the current government. They also pushed for the resignation of the current government as a precondition for the extension to the constitution process (they hold more than a third of the seats and can veto constitutional change). This was eventually agreed by UML and NC and the prime minister resigned on 30 June 2010. There appears to be general agreement on the make-up of a future government, but various claims and preconditions will need to be settled before a new government can take form.

Table 2: 2010 Constituent Assembly³

Party	Number of Seats
UCPN (Maoist)	239
Nepali Congress	114
CPN (UML)	109
MPRF (Democratic) Nepal	27
MPRF Nepal	26
Tarai Madhesh Democratic Party	22
Sadbhawana Party	9
CPN (Marxist-Leninist)	9
Rastriya Prajatantra Party (RPP)	8
Nepal Workers and Peasants Party	5
CPN (United)	5
Rastriya Prajatantra Party Nepal	4
National People's Front	4
Rastriya Janashakti Party	3

With these cross-cutting factors and challenges in mind, we set out below some of the key features of the main political parties currently active in Nepal.

The Nepali Congress (NC) Party: The NC is one of Nepal's main historic parties, dating back to the 1940s. It periodically held power in the 1950s, the 1990s and since 2006. The NC initially promoted a socialist ideology, but in the 1990s shifted to adopt a more liberal economic approach. It was initially reluctant to embrace the end of the monarchy in 2006, although played a key role in bringing the Maoists to the peace process. Its leadership has centred on that of G.P Koirala, brother to earlier leaders (B.P. Koirala and M.P. Koirala). G.P Koirala was seen as providing decisive leadership regarding the steering of the peace process, but the dominance of the Koirala family also exemplifies aspects of political patronage and nepotism in Nepal. His recent death led to a vacuum regarding the party's leadership; in his last days, Koirala made the unpopular move to promote his daughter, seen as a political novice, to Deputy Prime Minister and Foreign Minister.

Overall, the NC is viewed as a natural home for those threatened by leftwing politics (including elites and more affluent classes). It is also seen as unresponsive to key popular issues and agendas (including demands for federalism and a republican state) (ICG 2008). It has been undermined by ongoing splits and divisions, though it reunited for the 2008 elections. NC's main sources of funding include funds from affluent leaders and supporters, and access to resources of the state (and it is likely to have benefitted most from the latter, having held power for the longest periods).

The Communist Party of Nepal, Unified Marxist-Leninist (CPN-UML): the CPN-UML is another major party. The Communist Party formed in the 1940s and underwent numerous splits; CPN-UML in its present form developed from a group leading violent uprisings against the landlord class in the early 1970s. Suppressed by the then government, it went underground and unified

³ The above figures are not authoritative, as there are some vacant seats and some conflicting claims after splits. We have excluded political parties with less than 3 seats.

with a splinter group of the old Communist Party in 1991. CPN-UML steadily increased its voter base in elections in the 1990s, briefly formed government in 1994 and later joined various coalition governments. It has, however, mainly been in opposition, and as a result, is seen as entrenching itself within civil society. A variety of NGOs are affiliated to CPN-UML including a number of human rights organisations, the Community Forest Users group and the Nepal Federation of Indigenous Nationalities. CPN-UML underwent a shift in ideology in the 1990s to accept a multiparty system, and today the communist label is largely viewed as a misnomer.

With the entry of the Maoists, CPN-UML has been pushed further towards the centre of politics in Nepal, with NC pushed more to the right. It is seen as trying to present a compromise between the Maoists and the NC (ICG 2008). But it has also been criticised as ignoring its natural base (workers, unemployed, rural poor), contributing to the rise of the Maoists (Ibid.). In interviews, CPN-UML is perceived to be the most internally democratic of all parties in Nepal, and since February 2009 has adopted a more collective form of leadership. It charges levies on members, leaders and position holders and seeks donations from supporters. It is thought to receive funds from supporters in NGOs and by accessing state resources.

The United Communist Party of Nepal (Maoist) (UCPN Maoist): The UCPN Maoists developed from the so-called People's War from 1996 to 2006. It follows a far left ideology, which emphasises liberation, class and caste consciousness and has sought to de-legitimise the other dominant parties as failing to recognise social diversity and ensure social inclusion. Pushpa Kamal Dahal – known as Prachanda – has led the party since its beginning, first as General Secretary and then as Chairman, with a more collective leadership style recently formulated. The UCPN Maoists adopted the commitment to multi-party politics in 2003 and gave up armed insurgency in 2006. This was largely seen as a tactical move, with Prachanda quoted “We did not foresee the possibility to capture the state power at centre through armed revolution alone” (cited in Hachhethu 2008: 77). This has contributed to ongoing suspicions regarding whether the Maoists will continue to embrace ‘normal’ democratic politics and the maintenance of the peace process (ICG 2008). The ongoing presence of the Maoist army (albeit one confined to cantonments) and challenges regarding the ability to control radical elements such as the youth wing, the Young Communist League, have fuelled these suspicions.

The Maoist party is still seen as one of the most active at local levels, with committees of the party and affiliated organisations established down to village level. It is also seen as having some of the highest access to resources, through levies charged to position holders, donations, and reported involvement in extortion and intimidation to access funds. During the armed conflict, the Maoists routinely collected ‘taxes’ and looted banks. During interviews, while some saw the Maoists as a potential force for change, other felt that they had been co-opted into the informal political rules of the game, including seeking to access state resources for the advancement of their own elite.

The Rastriya Prajatantra Party (RPP): The RPP is linked to the leaders of the *panchayat* system and is the most pro-monarchy party (although this was largely abandoned when the country became a republic). It ran for elections in 1991 as two separate parties, and unified as one in 1994. Throughout the 1990s, RPP were the third biggest party, giving them a high degree of influence over who could form coalition governments, but it has been undermined by a series of splits and reunification over the last decade.

Madheshi parties: The Madheshi people are those living in the southern plains of Nepal and historically not recognised as Nepali, resulting in a lack of access to state positions (including the military). Their grievances culminated in demonstrations in 2007, and led to the development of Madheshi political parties. Three of these won significant numbers of seats in the 2008 elections; Madheshi People Rights Forum (MPRF) Nepal, Tarai Madhesh Democratic Party and the Sadbhavana Party. The Madheshi People Rights Forum Democratic (MPRF – Democratic) Nepal later split from MPRF. They have been vocal supporters of federalism, but there are also accusations that their base in society is tenuous – and they are seen as being exclusionary to some castes, despite their claims to represent marginalised groups.

3.3 Aims and objectives of international assistance

Overall, the analysis above suggests that the weaknesses of political parties are core political problems, and need to be seen as core to challenges of state-building in Nepal, particularly where they have contributed to ongoing instability: “The power-centric approach of mainstream leaders devoid of democratic culture has fostered the role of non-political, anti-political and armed non-state actors” (Dahal 2009: 3).

This means that support to political parties needs to be situated within the context of conflict prevention; Owen et al identify the biggest risk for restarting conflict as the inability to meet the demands of marginalised groups combined with poor civilian security and weak rule of law – and political parties play roles in all of these (Owen et al 2008: 4-5). Despite the seeming centrality of party reform and development, however, interviews revealed high levels of scepticism regarding the ability of external actors to ensure positive reforms. This highlights the need to analyse not only whether the objectives of international assistance seem attuned to context but also whether those objectives seem to be appropriate to the roles external actors in Nepal can currently play.

In practice, these sensitivities have meant that there are few examples of direct international assistance to political parties, although there are a number of programmes supported by external actors which engage political parties in Nepal. Four key areas of international assistance and engagement have been identified, namely support for policy dialogue, support for social inclusion, political engagement and technical assistance. The objectives and underlying assumptions across these different areas vary widely, and some appear better attuned to the context (and to what external actors might reasonably achieve) than others.

Turning first to policy dialogue in Nepal, the aim of international assistance in this area is to increase dialogue between political parties and to identify areas of cooperation (and resolve areas of tension) around a number of key processes, such as the constitution process and the peace process. This is often conducted as part of a wider policy dialogue process. In interviews, this was broadly recognised as a useful approach and as seeking to address an important gap in the Nepali context. Facilitating dialogue between the three main political parties (Maoists, NC, CPN-UML) was identified as particularly important moving forward. Following the People’s War and resulting process around the CPA, strengthening channels of communication between parties was seen as potentially useful in reducing the scope for misunderstanding and identifying areas of collaboration (although the recent strikes called by the Maoists in April 2010 reveal that these lines of communication can easily break down).

Some concerns, however, were raised as to the roles of external actors in facilitating this form of dialogue, as dialogue will need to be internally driven to be successful. Therefore, while the overall objective may be a sound one, at times it may go beyond what is achievable through international assistance (or go beyond what is perceived within Nepal to be the role of external actors), suggesting the need to proceed cautiously in this area.

Secondly, there has been significant international assistance provided to programmes aimed at strengthening social inclusion in Nepal. Often, these do not specifically address political parties, but rather are aimed at increasing the representation of marginalised groups in wider political, social and economic spheres. In recent programmes, particular emphasis has been placed on strengthening women’s political participation and that of excluded ethnic or cultural groups such as the Janajatis, the Madheshis and the Dalits.

Again, this form of international assistance clearly responds to some of the challenges and weaknesses of political parties set out above. At the same time, interviews suggest a number of notes of caution in the objectives and roles of international assistance in this area. For instance, while the need to increase social inclusion was broadly recognised there was a sense that aiming only to work with those who were socially excluded (such as women, Janajatis) may not lead to the overall intended results. For example, the focus on building the skills and capacity of women to increase their political participation was not, alone, seen as sufficient to address the wider barriers women face. This was particularly emphasised by some female

party members interviewed, who felt that working with men and aiming to change their perceptions and behaviour in relation to women's participation would be more appropriate to the contextual challenges in Nepal.

In relation to support to marginalised ethnic or identity groups, again a number of those interviewed expressed the need for caution, particularly in the objective to increase the political representation of these groups. Some respondents felt that this could potentially reinforce the politicisation of ethnicity and other forms of identity and may not be an appropriate response to the existing context in Nepal. Therefore, there was a sense of a wider divergence between some of the realities of the context and some of the objectives set for this form of assistance.

Thirdly, a number of external actors are involved in political engagement with political parties. This primarily aims to engage with the party leadership on core political issues and to strengthen bilateral relationships. It does not, in practice, aim to strengthen the development of political parties in a particular direction but rather allows some external actors to monitor political developments and maintain channels of dialogue. In the context of the peace process and ongoing stabilisation efforts this is seen as a useful form of assistance or engagement and one able to respond well to the changing context. This form of engagement is predominantly led by Embassies, with minimal involvement of development agencies.

Finally, a new form of support to political parties is currently being considered, which will potentially be funded by a number of development agencies (including the UK, Netherlands, Norwegians, Canadian and American agencies). It is still under development but from interviews the emerging objectives appear to focus on addressing core capacity and capability constraints of all political parties, leading to more institutionalised, programmatic political parties. While a number of capacity constraints can be easily identified, the analysis above of the wider context suggests that these quite narrow objectives, focused on technical areas, may not address the significant political challenges and weaknesses of political parties in Nepal. These objectives do not seem to engage with the wider context of parties incentives, patterns of patronage and the realities of state/party fusion when in power.

According to some of the implementing organisations interviewed, political party support and reform remains largely a political challenge, but donor agencies 'still look for technical solutions in Nepal'. A report by The Asia Foundation highlights the need to better analyse parties incentives and drivers of change (including identifying reformers within parties and how external actors can best work with them) (TAF 2007). This may be more effective in the long run than seeking to adopt more standard approaches to technical assistance to political parties.

Looking across the range of models of programmes, most of those examined sought to address, through their stated objectives, some of the identified challenges and weaknesses of political parties and of the wider political system. This seemingly 'closer fit' between objectives and realities on the ground may reflect the fact that as Nepal has undergone periods of intense political uncertainty, and is currently in the midst of the implementation of a peace process, external actors operating in Nepal may be more attuned to the local context than in other settings. However, a number of important areas of caution are apparent even from this initial review, particularly in terms of how support is then implemented and what role is played by external actors; this is examined further in the following sections.

4 How have external actors supported political parties?

This section examines the main methods for implementing support to political parties, building on the analysis of the assumptions and objectives of support set out in the previous section. The four models of party assistance all involve different methods of implementation and the

comparative advantages of each, as well as lessons in terms the approaches taken to risks and results are analysed. Overall, despite the fact that many of the initial assumptions and objectives of assistance seem to directly address some of the identified challenges for parties, we find that their implementation does not always seem to address these contextual challenges. Moreover, there appears to have been too little analysis of risk and of the indirect or unintended impacts of assistance.

4.1 Main models of party assistance

Firstly, the main political parties have been engaged through a range of policy dialogue initiatives supported by external actors, primarily centred around the constitution process and the peace process. Main funders of this type of assistance include the Danish, Norwegian and British government (either through Embassy funding or through the relevant development agency). In the main, this seems to involve funding third party or implementing organisations in implementing projects, with the implementers given fairly high levels of flexibility in their approach and delivery of work.

The Friedrich Ebert Stiftung (FES) is a German party institute (known as Stiftungen) aligned to the German Social Democrat Party. Rather than following conventional party to party support methods adopted by Stiftungun in other contexts, FES has focused on dialogue seminars centred around issues such as the development of the new constitution. FES has received funds, including from the Japan International Cooperation Agency (JICA) and Danish International Development Agency (Danida) to host dialogue seminars. For this, it uses advisers from the political parties as key link points, and organises meetings and dinners held at Ambassadors' residences. The reported aim is to create an 'informal and frank' setting for inter-party dialogue, and party ideologues are sometimes invited to prepare discussion papers in advance.

International IDEA has also worked with parties on constitutional issues. It presents itself as 'working with parties, not for them' and emphasises the importance of process, seeking to increase both cooperation and competition between political parties. IDEA's work in Nepal began substantively with the development of the State of Democracy Report in 2004 (funded by the Norwegians, who remain IDEA's biggest donor for its work in Nepal). Other activities have included producing an options paper in 2005 following the King's takeover of power; ad hoc discussion papers including on the electoral system and the development of the Constitution and other resource outputs; and the holding of workshops and seminars. According to interviews, staff at IDEA do not feel they have yet found a useful entry point to work directly with political parties, for example on issues of internal reform, and they have therefore focused on cross-cutting, system level issues such as the development of the new constitution.

The Centre for Constitutional Dialogue (CCD) is an initiative by the UN Development Programme (UNDP) project on Support to Participatory Constitution Building in Nepal. It receives core funding from the Government of Denmark, among others. It has established a Centre in Kathmandu which includes a library/resource centre, meeting rooms and training facilities. It is open to Constituent Assembly members and civil society, as well as to others interested in the constitution process.

CCD has been engaged with party members (primarily through support to members of the Constituent Assembly) in a wide variety of ways, ranging from basic training in English and Information Technology (IT), to responsive research advice (for both Assembly members and civil society representatives) to workshops and seminars which party members can participate in. According to interviews, the biggest priority for CCD in Nepal is ensuring greater social inclusion. Reportedly, more than 500 Constituent Assembly members have passed through the doors of the CCD – and of the remaining 100, 50 have never been and 50 are from the senior leadership. The CCD has been criticised for not targeting senior leadership, but sees itself as aiming to target the most marginalised. Interviews suggest that the CCD sees a need to offer practical services (including in English, IT) to encourage members to attend, but that it also

sees an important role for the Centre in attempting to socialise politicians, reportedly to bring them together and to allow both for recognition of similarities and for the creation of a safe place for disagreement.

Other aspects of support to policy dialogue between political parties include engagement with youth wings. For example, the Norwegian Embassy has supported work with youth wings of the eight largest political parties in Nepal since the autumn of 2008. This was reportedly established following the 2008 elections in recognition of high levels of tension between youth wings and it brings youth groups together to engage in dialogue around common issues; to date this group is reported to have met between 60-70 times, and has produced a joint framework for national youth policy, presented in autumn 2009. Future priorities are thought to include capacity building, information sharing, some tailor made inputs for individual parties and the running of joint seminars, with topics agreed on by the youth wings, in consultation with the Embassy. Funds are administered by a local consultancy organisation. There are plans to establish more joint working for youth wings at district level (through pilots in 50 districts).

Interviews with key respondents broadly praised this approach as attempting to facilitate useful dialogue around key issues. This approach seems to fit well with efforts to move towards working at the 'party system' level rather than a more narrow focus on the capabilities of individual parties. The work with youth wings seems to go furthest in aiming to strengthen dialogue between parties, and to build a space to both air tensions and identify areas of cooperation. For the other approaches, political party members are often only one of a series of actors involved in a given policy dialogue process.

A number of respondents put forward the view that over time, there has been a shift in the form of political discourse and dialogue across the parties around issues of state restructuring. Identifying the counterfactual as to whether this would have occurred without support for policy dialogue was not possible in this study, but it seems reasonable that policy dialogue involving political parties has played some role in the development of debate and dialogue between parties and in the wider political sphere. Interviews revealed that questions over state restructuring (in relation to the constitution process, peace process and possible decisions regarding federalism) were an area of mutual interest across the main political parties, highlighting the importance of an entry point of common interest and concern to the parties involved.

At the same time, there was some sense that while this type of assistance could provide a useful space for discussion, and for allowing a range of views to be aired, it may struggle to have a more substantive impact on processes around the CPA and the development of the Constitution. A number of questions were raised regarding who participates in policy dialogue processes. For example, the CCD was questioned by some for its focus on lower tier party members, with some suggestion that in practice key decision makers within parties do not participate, undermining the likely outcome. Across the implementers involved, there was a lack of clarity in terms of who the audience was for this form of dialogue, suggesting that greater reflection may be needed on the target audience for this form of dialogue, to increase its impact.

Secondly, in light of the historic discrimination and divisions within Nepali society, and the ongoing fragility of the peace process, a number of external actors have engaged with political parties on issues of social inclusion. This has included work on gender equality and with marginalised ethnic and cultural groups within Nepal. The principle funders for this work include USAID, the Norwegian Embassy and support from DFID through its 'Enabling the State' programme. Again, implementing organisations seem to have fairly high levels of flexibility in how they deliver projects.

The National Democratic Institute (NDI), an American party institute which receives funding primarily from USAID, has worked with women in the Constituent Assembly and with female party members. Its methods include support to women's leadership programmes (especially in marginalised areas such as the Terai), civic education, and some training, including through a women's leadership academy. NDI works on a cross-party basis; as it primarily implements

projects supported by USAID, it was not able to work with the Maoist party in the past (as they were previously on the US' list of Foreign Terrorist Organisations) but since the signing of the CPA, this has been gradually relaxed, moving from an acceptance of work with elected members to working with party members of all parties.

A Memorandum of Understanding (MoU) is signed with all participating parties, and NDI maintains a steering committee with representation from parties. It emphasises tailoring support programmes to each party's needs, working on a cross party basis, and using 'interactive' styles such as running a mock Parliament to train party activists. NDI is currently engaged in a pilot programme, which supports the Inter-Party Women's Association (IPWA) to establish constituency-level offices.

International IDEA have been active on issues of gender too. This includes producing a series of discussion papers (with themes identified by a steering committee which includes cross party representation) and running workshops. IDEA has reportedly sought to use prominent women's leaders both from political parties and from civil society. Their work has focused on cross-cutting gender issues, such as gender-based violence (which is a key concern in Nepal). They have also established a young women's group with representation from youth and student wings across the parties.

Alongside NDI's involvement, others have supported cross party networks such as IPWA, including capacity development support for the creation of district level chapters for IPWA (funded by the UK's Department for International Development, DFID, through the Enabling State Programme, ESP). Again, these have focused on areas of common interest such as gender based violence.

All of these methods work on a cross party basis (although most only work with a selection of the largest parties). For some party members interviewed, there is a strong view that working cross party on these issues is not particularly effective, and that it would be more helpful to work on an individual basis to tailor support to their needs and the key blockages, for example for women's political participation in each party. Others felt that some of the methods of support used, such as short training sessions (often for a maximum of one to two days) are not sufficient to address the scale of the issues.

Another cluster of support, although one not always linked directly to political parties, is support to marginalised groups. This has included past support by governments such as the UK to Madheshi groups and, most recently, to Janajati groups. In the main, this support is channelled through NGOs. In relation to Janajati groups, funds have been channelled through organisations such as the Nepal Federation for Indigenous Nationalities (NEFIN), an umbrella group which represents Janajati interests, and aims to increase the opportunities for marginalised groups to access political power.

NEFIN is seen as having been relatively successful in recent years in influencing aspects of the Nepali political process, for example pushing for the use of Proportional Representation and quotas in elections, as well as securing recognition of the importance of social inclusion in the interim constitution (Bevan 2009; ESP 2008). However, interviews identified perceived tensions regarding whether support facilitates these groups to create their own political parties or whether it facilitates their inclusion across mainstream parties.

For example, previous external support to Madheshi groups was seen by some as contributing to their development into political parties, but these parties were not well institutionalised and have remained subject to splits. Others cautioned against support which could reinforce the politicisation of ethnicity and other aspects of identity, without contributing to sustainable programmatic parties or longer term political stability. Therefore, the potential trade-offs of facilitating the creation of new parties as opposed to working with existing parties to encourage greater social inclusion was identified as a key issue and this did not seem to be adequately addressed in the design and implementation of support.

Thirdly, a number of Embassies lead on political engagement with political parties – for example, through regular meetings with party leadership around the peace process and

through ad hoc exchange programmes. Embassies reported meeting regularly with the leadership of a range of political parties in Nepal, primarily with a focus on national level issues such as the peace process. Embassies are generally seen as having high levels of access to party leadership and objectives are largely linked to peace-building efforts. Issues of neutrality, and not being seen to take sides, were emphasised, alongside the importance of continuous dialogue with a range of political parties. At the same time, this form of engagement occurs very much at an individual level. It is explicitly not about building more effective political parties, or even engaging with political parties as institutions, but rather about engagement with senior leaders on key issues. Based on interviews, clearer links could be made between this form of individual engagement and other levels of engagement (with parties as institutions, with women in parties and so on) alongside greater cross-checking and triangulation of information received.

The British Embassy has supported some additional activities as part of its political engagement, including funding a small number of sponsored visits each year. These are reportedly targeted at those seen to be influential in Nepal and on issues where there might be value in sharing UK experiences - for example, through the sharing of lessons from post-conflict policing in Northern Ireland. It is reportedly hoped that participants can learn from these visits, and that it helps to build a favourable image of the UK. This support was strongly linked to building better bilateral relationships, therefore did not – in its aim or design – seek to engage with parties as institutions or in terms of their development.

Fourthly, there have been a small number of projects which have sought to provide technical assistance to political parties in Nepal. This included, for example, some funding from the Norwegian government for a Norwegian consultant to work with the three main parties (NC, CPN-UML, UCPN Maoist) to model the implications of different electoral systems and to support parties in developing policy positions on their preferred mode of electoral reform. International IDEA and the CCD have engaged in the provision of technical assistance to Constituent Assembly members (who may also be party members) for example on the drafting of the new constitution.

Discussions are underway to develop a new programme of support to political parties. This is likely to be jointly funded by a number of donors, including British, Danish, Norwegian, Canadian and American donor agencies, and will likely work through a joint donor mechanism (the details of which are still to be decided). This programme plans to establish a steering committee, comprised of party leadership and representatives from donor agencies, which will then identify topics for training modules, open to all political parties and likely to be provided by a range of implementing organisations. Methods are likely to include the provision of training courses, study trips and the use of facilitators and external consultants.

The overriding emphasis appears to be on technical assistance, with political parties in ‘the driving seat’ so that they select modules they feel they will most benefit from. The overall approach reflects longer term planning for incremental rather than step-change reform, and this seems to reflect well the current context for parties in Nepal. However, where the overall objectives of support do not engage with the wider political context and realities in Nepal, it is likely that the activities designed (such as training courses, study trips) will also not engage with these features of the context.

Table 3 sets out a summary of these approaches to party assistance.

Table 3: Summary typologies of models of support

Models of support	Objectives	Expected results	Main donors and implementers
Policy dialogue	To increase dialogue between parties, to identify areas of cooperation and to resolve areas of disagreement in non-violent ways	Increased channels of dialogue between parties; peaceful resolution of disagreements and conflict; successful resolution of Constitution process	International IDEA, FES, CCD Norwegian government, DFID, DANIDA
Social inclusion	To increase the representation of marginalised groups in political, social and economic spheres	Greater political representation of marginalised groups (including women); greater political debate of (and policies designed to address) social inclusion issues	NDI, International IDEA, IPWA, ESP USAID, DFID
Political engagement	To engage with party leadership on core issues and to strengthen bilateral relationships		British Embassy, American Embassy
Technical assistance	To address core capacity and capability issues of parties, leading to more institutionalised, programmatic parties	Incremental improvements in key focal areas	For new programme: DFID, DANIDA, Norwegians, CIDA, USAID; Range of implementers likely to be included

4.2 Approaches to risk and results

Party assistance and engagement in Nepal, particularly in the context of the peace process, brings with it a number of political risks. It is important that these are carefully monitored throughout any process of assistance and engagement, and that the impacts (direct and indirect) are carefully assessed. This is particularly challenging for some of the more indirect modes of engagement, including support for policy dialogue or social inclusion. This suggests the need for incremental and realistic approaches to impact and risk measurement, which work from the recognition of what exists before setting targets for what is to be achieved.

A number of political risks for supporting and/or engaging political parties in Nepal were raised in interviews. This is particularly significant in the Nepali context in light of the recent experience of conflict and ongoing peace process. A key risk is that party assistance is interpreted as interference in or disruption of domestic political processes. Some Nepali commentators noted that external actors are not always seen as being particularly clear regarding what they are trying to achieve through more political support, or rather as not being explicit about their agenda in engaging with political parties. Any further engagement will need to address these concerns and perceptions.

Some felt that external actors are able to manage risks by working on a cross-party basis, making similar support or engagement open to all parties, and using codes of conduct to mediate the terms of engagement. There is a perception that some risks could be mitigated by working at more systemic levels, for example on issues of regulatory frameworks or financing, or around core entry point issues such as the new constitution or, looking ahead, federalism. Despite claims of neutrality, interviews revealed that in practice external actors are seen as more supportive of some parties over others and, in particular, divides were identified between external actors seen as more or less supportive of the UCPN Maoists.

This suggests the need to strengthen capacity in conducting 'political intelligence', in order words in monitoring and tracking political trends and dynamics. A number of programmes and approaches analysed above do not, for example, imply large levels of funding for capacity development for political parties, but rather providing support for inter-party dialogue initiatives, working with cross cutting groups across parties (such as women, youth) and investing time in formal and informal engagement with parties themselves (through one-to-one meetings and other fora). In the existing post-conflict context, maintaining up-to-date context analysis is likely to be crucial in ensuring the ongoing relevance of these initiatives.

Related to this is the need to build up networks and modes of political engagement. While there seems to be appetite – at least among some external actors – for more political engagement linked to development assistance, a number of respondents raised questions as to the extent to which donor agencies, in particular, are well equipped to participate in this. Some donor agencies appear to be limited in their ability to engage with political parties and political processes, in part due to limited capacity and time constraints, and in part due to limited skills for example in political analysis and forms of political engagement.

Some agencies are clear that they are 'careful not to have too much interaction' with political parties, as this is seen as an area for a diplomatic lead (for example by the Ambassador), with donor agencies focused on technical assistance, and working through Nepali organisations. But in light of the growing awareness of the overlap between developmental, governance and political challenges in Nepal, this position did not always seem tenable. Finally, there is some criticism that donors are not well acquainted with what is happening 'in the field' in Nepal. They are seen as reliant on advice from only small number of individuals in Kathmandu and in part, this may have explained the fact that external actors were largely caught off guard by the Maoist electoral win in 2008 (ICG 2008). This suggests the importance of cross-checking information, as well as ensuring external actors have a sufficiently wide network.

There appears to be some useful examples of external actors working in a cross-government capacity and, for example, the UK has a joint strategy for Nepal across the Foreign and Commonwealth Office (FCO), DFID and the Ministry of Defence (MOD) (see Box 2). This may allow for more informed political analysis and roles.

Box 2: UK Joint Strategy for Nepal

The UK's joint strategy for Nepal includes the FCO, DFID, and MOD. In practice, there was a view that 'all parts of the UK Government were working in same fields' in Nepal, reflecting a high degree of crossover on objectives and areas for assistance. This was supported through a division of labour, with the FCO leading on human rights issues, DFID on Security Sector Reform/police reform (and MOD involved in the latter too). Regular joint meetings are held to facilitate sharing of information; funds have also been received from the UK's Conflict Prevention Pool.

Attitudes to expectations of results differed across the areas considered in this study. Overall, the rather diffuse nature of much of the engagement with political parties analysed (for example, involving party dialogue, cross party alliances) seem to pose particular challenges for the measurement of results and wider impact. Moreover, the contextual or structural factors which shape the context in which parties operate still seems to dictate the policy space in this area. This suggests the need for incremental and realistic approaches to impact measurement in this area, which work from the recognition of what exists before setting targets for what is to be achieved.

This is further complicated in that some aspects of the programmes discussed (for example around policy dialogue) are not specifically geared to political party development and therefore do not routinely measure these dimensions. When pushed, the main impacts identified by implementers, for example, concerned a contribution to a more informed dialogue on state restructuring, something which remains very difficult to measure.

Implementers involved in policy dialogue highlighted perceived challenges to measure and demonstrate results in this area. Some specific measures included analysis of the extent to which dialogue leads to specific changes in the constitution process, or to the extent to which reference documents produced are used by those involved in the constitution process. There was some attempt to measure whether issues discussed through policy dialogue are then taken up in other spheres (for example by the media and so on) as a measure of wider impact. But there was a strong sense that implementers are struggling to address this issue effectively; moreover, funders do not seem to be applying particular pressure for approaches to monitoring and evaluation, potentially allowing for some evasion of scrutiny.

Regarding support to strengthening social inclusion, and work with political parties as part of this, measurement of results again focuses more on outputs delivered. In relation to support for women's participation, common measures cited included the number of women trained, the setting up of cross-party networks including at district level, or the conducting of awareness raising or civic education activities. Some attempts are made to capture wider impact, such as the number of women subsequently gaining representation (including on district committees of political parties or in other positions of responsibility). While this seems an improvement from the measurement of outputs, there was still a lack of measuring the overall impact of this work. For example, some of the grassroots female party activists interviewed suggested that while they now had positions of responsibility within their political parties, there was a remaining sense that they were not taken seriously by male members and had only limited influence on party strategy and policies as a result. More nuanced measurements of results are needed to capture these multi-faceted impacts.

This needs to be linked to much more robust risk analysis. For example, in light of worries that support for different ethnic or identity groups might exacerbate tensions and instability, it would seem sensible for risk management to be an integral part of monitoring and evaluation for work in this area. The available evidence for this case study was not able to determine whether risk assessment and analysis was mainstreamed into monitoring of international assistance which engaged political parties and this should be a key priority going forwards.

For approaches which involve political engagement, it is clearly much more difficult to make an assessment about the measurement of results. As this occurs on an ongoing basis and as part of the wider process of political engagement between external actors and Nepali actors, it is likely that no formal system is in place but that informally, attention is paid to the risks and impacts of this engagement. In interviews, those involved readily acknowledged the importance of ongoing consideration of impact, and the need to ensure that external actors are not 'doing harm' as part of their engagement. But without further evidence to draw on, it was difficult for this study to assess the effectiveness of this approach. As the new programme of technical assistance to political parties is still under development, and no further information available on approaches to monitoring and evaluation, this study was unable to assess this proposed approach.

A number of implementing organisations questioned funders' imperatives towards increasing the disbursement of funds without considering absorptive capacity, including in relation to political parties and the dominance of unrealistic expectations regarding what can be achieved. Some of these felt that it was not always recognised that a 'cookie cutter' approach to results is not feasible. Instead it is important to tailor the measurement of results to parties' individual needs and to the results likely to be achieved for each party. This suggests that achieving robust measures of results is linked, in the first instance, to the objectives set for assistance and to the importance of a thorough needs assessment (checked by independent sources of information, rather than self assessment alone).

Some useful examples were put forward regarding how such an assessment might be carried out. For example, it was suggested that having lower level activists draw organisational charts can be illustrative regarding where power is perceived to lie within parties (and can be a way of measuring internal reforms over time); the need to look at regulations, financing, and party organisation in setting objectives were also highlighted. Some external actors recognise these constraints and the need to set longer timeframes, realistic incremental measures and maintain a process-driven approach focused as much on how results will be realised as to what they will be. But this was not the case across the board.

Overall, and in line with the findings of other studies, the approach to monitoring and evaluation in this area seems to be generally weak. While some aspects of support and engagement with political parties remain challenging to measure, this study was not able to identify any innovative approaches to measuring results in this area, and many of the approaches looked at were particularly weak in going beyond narrow output measures to the wider impact. Donors such as USAID appear to recognise these concerns and are reportedly reviewing their approach globally and at country level to monitoring and evaluation in this area, in an effort to move away from a narrow focus on numerical measures which do not help to show longer term impact.

5 What are the emerging lessons from Nepal?

The above analysis reveals a complex picture of political party assistance and engagement in Nepal. Most of the models analysed seem to identify the key challenges and weaknesses of and for political parties in Nepal, and many of the external actors seem to have relatively strong understandings of the political context and power dynamics. This may reflect the fact that, as Nepal has recently undergone a period of intense uncertainty and is currently in the midst of a peace process, there are greater incentives for external actors to engage and understand the wider context. However, support does not always appear to be implemented in ways which pay full attention to this context analysis and the wider constraints and challenges identified. Moreover, our analysis strongly suggests that external actors are likely to be limited in their ability to address some of the structural challenges of political parties and there is scope for their actions in this area to be misinterpreted or misconceived in the Nepali context. This suggests the need for caution and low level engagement in the first instance, as well as designing assistance which can engage with the wider incentive challenges at play. This leads to three important findings:

Understand and try to work with the incentives of political parties

Firstly, as the analysis above sets out, programmes of support to political parties, as well as forms of engagement broader than this, need to engage with the realities of political parties' incentives and the formal and informal rules of the political game.

While in general there seems to be a high level of awareness of some of the wider challenges and constraints for the party system, this did not seem to have translated into effective strategies for implementation. One key gap seems to be maintaining an understanding of the key incentives, areas of blockage and potential room for manoeuvre in achieving party reforms.

For example, a number of respondents highlighted the need to identify and work with individual reformers within Nepali political parties. In some instances, this might mean working with party members at lower levels of the party, where senior leadership view reform as a threat to their power. Further examination of incentives may also reveal how potential 'spoilers' may be shifted. For example it was suggested that senior leaders in some parties may be reluctant to give up power because of their lack of other income (and the lack of an effective 'pension'); programmes of support might need to engage with the realities of possible incentives such as these.

This requires both further analysis of the incentives of parties, and different actors within parties, and a careful exploration of the options for assistance and engagement on the part of external actors (with careful scenario planning to understand the risks involved).

The importance of a process-driven approach

Secondly, a number of proposals were put forward regarding the need to think as much about the process for delivering support as whether to do it. Some of the more effective programmes of support to and engagement with political parties highlight the importance of regular engagement with party members, trust building, and establishing roles as an 'honest broker' in engagement with them.

This may imply the need for more open ended support, with in-built flexibility to respond to changing contexts and incentives over time. The importance of identifying the right entry points was commonly emphasised across interviews, with some broad agreement around issues such as the implementation of the new constitution (once agreed), federalism, and the nature of the electoral system.

Ensure strategies to manage risks

Thirdly, engaging with political parties, including through programmes of support, should entail a comprehensive assessment of the potential risks, with a particular focus on risks to conflict and instability. At present, there was limited evidence available that this happens on a regular basis.

Some respondents felt that aspects of external assistance in the past, including support to some ethnic groups, had contributed to growing ethnic divisions and therefore in the long run may undermine attempts to ensure stability within the party system and more broadly. At the same time, efforts to reform or strengthen political parties are likely to involve weakening the power of some individuals within parties; and there is a danger that programmes of support in practice further strengthen these individuals rather than bringing about shifts in power dynamics. As Owen et al recognise, "The wrong kind of support for political parties could also interfere with the Nepali driven evolution needed in order to rebuild the political settlement" (Owen et al 2008: 6).

For external actors, this implies the need to set much more realistic goals, for example to build cooperation and trust between parties rather than setting ambitious objectives for parties to become more democratic in the short term. The ongoing assessment of risks should be included as part of the design, implementation and evaluation of any programme.

Other respondents urged caution, suggesting that in the present context in Nepal, it remained very difficult to develop larger programmes of support to political parties, because not enough is known (or understood) by external actors in terms of the incentives, areas of blockage and potential room for manoeuvre in achieving party reforms. In this context, low level engagement, further research and analysis, and greater support to strengthening checks and balances for the Nepali state may in fact be more productive investments.

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Annex 1: List of interviews

- Binod Bhattarai, Transparency International Nepal
- Ghanashyam Bhusal, CPN-UML
- Pushpa Bhusal, NC
- David Billings, USAID
- Cecilia Bylesjö, International IDEA
- Lars P. Christensen, DANIDA
- Dev Raj Dahal, FES
- Khilanath Dahal, NC
- Pradip Gyawali, CPN-UML
- Rajju Malla-Dhakal, Enabling State Programme
- Sarita Giri, Nepal Sadbhawana Party
- Andrew Hall, British Ambassador to Nepal
- Kedar Khadka, Pro-Public
- Dr. Narayan Khadka, NC
- Sridhar K. Khatri, South Asia Centre for Policy Studies
- Nicholas Leader, DFID Nepal
- Sarah Levit-Shore, The Carter Centre
- Dag Nagoda, Norwegian Embassy
- Hinesh Rajani, British Embassy
- Dr.Devendra Raj Panday, Civil Society activist/Academic
- Dr.Bharat Pokhrel, Center for Economic Development and Administration
- Kapil Shrestha, Professor of Political Science, Tribhuvan University, Kathmandu
- Larry Taman, CCD
- Leena Rikkilä Tamang, International IDEA
- Dr.Bishnu Raj Uprety, Swiss National Center for Competence in Research
- Dr. George Varughese, Dr. Sagar Prasai, The Asia Foundation
- Sanjay Rana, Enabling State Programme
- Sherrie Wolff, Ram Guragain, NDI
- Indra Mohan Sigdel, UCPN Maoist
- Ganga Devi Maka (Chairperson), Saraswati Bati (Former Chairperson) and other IPWA members, Bhaktapur