



## NPTF Board Approves NRs.2.4 billion for Peace building

The 17<sup>th</sup> Board meeting of the Nepal Peace Trust Fund (NPTF) approved a strategy outlining areas of support for peace building projects to be carried out over the next two years. The Board also agreed on spending about NRs.2.4 billion (US\$2.4 million) for the purpose.

The NPTF Board met on 22 April to discuss and approve the new NPTF Strategy, the Joint Finance-

ing Arrangement (JFA) and the Peace Fund (Operation) Regulations (PFoR). The Minister of Peace and Reconstruction (MoPR) chairs the NPTF Board that also has representatives of the Government of Nepal, major political parties, and the Chair of the Donor group supporting the fund, as members.

Narahari Acharya, Minister of Peace and Reconstruction and Chair of NPTF, Dr. Ram Sharan Mahat, Minister of Finance, Rensje Teerink, Ambassador of the EU to Nepal, Beth Dunford, Mission Director of USAID, and senior GoN officials were present at the



*The signing of Joint Financing Arrangement at Ministry of Peace and Reconstruction between the Government of Nepal, the European Union and the United States Agency for International Aid (USAID).*

meeting. Nabaraj Bhandari, secretary (revenue), MoF, also attended the meeting.

Board members representing different political parties at the meeting were Devi Prasad Gyawali, Communist Party of Nepal (Unified Marxist Leninist) and Sunil Ranjan Singh, Madhesi Janadhikar Forum Loktantrik.

Khum Raj Punjali, Secretary, MoPR welcomed the participants and explained that the NPTF was still relevant as there were some unfinished tasks related to the peace process. He added that the NPTF formulated a new strategy and implementation plan to address these issues.

“Even though we have made major achievements in terms of managing combatants and elections, we still have some unfinished works that need attention,” said Narahari Acharya, minister, MoPR. He added “The Fund will address the remaining concerns including those of conflict affected people, and the political processes now underway”.

The JFA and PFor are legal instruments that will guide the use of the pooled funds, while the strategy will provide the programmatic guidelines. The NPTF Strategy 2014-2017 outlines the mandate and also provides a timeline for phasing out and closure.

Addressing the meeting, Finance Minister Dr. Mahat expressed his desire to see peace projects completed on time or earlier as that would suggest end of the political transition. “Where there has been misuse of project funds, we need to investigate it thoroughly and ensure the completion of ongoing projects as soon as possible,” he added.

According to the strategy, NPTF funds will be used for activities that have been grouped into four clusters that include support to conflict-affected people (CAPs); transitional justice and reconciliation; access to security; local peace initiatives, constitutional consultations and elections.

“The strategy provides a holistic, programmatic approach to funding projects and activities,” said Mukunda Prasad Paudyal, Director NPTF. “We will not support one-off activities but projects that can

collectively contribute towards larger impact in any one of the focus areas,” he added.

The EU Ambassador expressed her happiness to see the NPTF progressing in its efforts to pave way for durable peace and appreciated the commitment of GoN and the political parties to conclude the peace process.

She added that the EU and other donors were keen to see significant progress in writing a new constitution reflecting the people’s aspirations. She said the EU was hopeful that local elections would be held soon and stressed the importance of bringing victims’ views into the peace process.

The Board also approved two program documents – NPTF programs to support Conflict Affected People (CAP), and another one to support elements of the political dimensions of the peace process. It also approved a MoPR project on “Provision of Psycho-social Counseling and Support Services to Conflict Affected Persons in Nepal”.

Projects under the approved programs will include psychosocial support, support to Conflict affected women (especially SGBV) and children, community mediation, and constitutional consultations, livelihood and employment, local peace building initiation among others.

## Earthquake damages

A 7.8 magnitude earthquake that struck Nepal on 25 April and its aftershocks have caused some disruptions on programs being implemented by NPTF. The PFS expresses condolences to the families of people who were killed by the earthquake and wishes a speedy recovery of those who were injured.

The NPTF met with Nepal Police officials on 22 May and discussed the status of police units in districts that were worst affected by the earthquake. These police units had been built with NPTF support.

According to the early report of Nepal Police 6 buildings were totally damaged and others were partially affected. Most of the buildings that collapsed were one-storied and had been built with mud (not con-



crete) and stones, and had thatched roofs. No casualties were reported. These buildings had been built under the first phase of the NPTF projects with the Nepal Police.

The first phase of the police project is already over. The second phase of the project is scheduled to end by July 2015. About 55 (of 90) police units have been built and the remaining 35 are to be completed by the end of 2015. The ongoing, fourth phase of the project includes activities to take police closer to the communities and construction of some more police units.

## Project monitoring

A team of officials led by Mukunda Prasad Paudyal, Director of NPTF, monitored and made inquiries of projects underway in the eastern Nepal on 25-26 May. Included in the team were program management and monitoring & evaluation officer of PFS, technical assistance staff from the EU-TA, including the team leader. Yagya Bikram Shani, the Donor Coordinator, also accompanied the team.

The purposes of this visit were to i) understand the progress of on going projects, ii) discuss implementation problems, if any, and iii) assess support required for rehabilitating CAPs.

The team visited the Rehabilitation Centre being built at the B.P. Koirala Institute of Health Sciences (BPKIHS), Dharan. They also observed physical reha-



bilitation services provided to conflict-affected disabled people at the Community Based Rehabilitation Centre (CRB) in Biratnagar.

The CBR is a non-governmental service provider of the National Disabled Fund (NDF) project. Pushpa Rijal, chairperson CRB, briefed the team and a manager delivered a presentation on the production and distribution of prostheses and orthoses by the organization.

The CBR said delays in receiving funds from NDF had caused delays in providing services particularly to clients in remote districts. The CBR officials said there was need for extensive outreach to reach potential clients and that funding for this was inadequate.

The “Rehabilitation Centre for Conflict Affected People” project at BPKIHS was initiated in 2011 and was

*Mukunda Prasad Paudyal, Director NPTF, at an interaction with officials of DUDBC and the BPKIHS at Dharan.*



*Rehabilitation Centre for conflict affected people at the BPKIHS, Dharan.*

supposed to complete by 2013. It was later extended for completion by July 2015.

Ninety per cent of the construction has now been completed and the project management has prepared outreach and training guidelines for general rehabilitation. One concern expressed by BPKIHS officials was the lack of operational funds that were not included in the project.

It was agreed that there was need for some adjustments in the project, including completion and handover of the building by the Department of Urban Development and Building Construction (DUDBC) to the BPKIHS by 1 July 2015. Thereafter the institute will install equipment and would come up with a concept note for the operation of the center in consultation with PFS and the EUTA.

### NPTF Retreat

The NPTF organised a two-day retreat to evaluate progress and discuss the new strategy and work plan of the Peace Fund Secretariat (PFS) on 2-3 April. The meeting was held in Chitwan and included several working sessions on the strategy and work plan along with team-building exercises. Thirty staff members, regular and contractual, both from Government and in the TA team, attended the retreat.

The retreat had the three main sessions: Briefing and discussion on TA support, past achievements and new work plans; presentation and discussions on the draft PFS work plan from April 2015 to the

*NPTF officials at the retreat held in April.*



end of the fiscal year 2015/16; and presentation of the new guidelines for PFS work based on the new NPTF strategy and group discussions on division of work, how to work better together, and how to create a conducive working environment.

Mukunda Prasad Paudyal, Director, NPTF, provided guidelines on effective implementation of the strategy. He also asked staff to come up with suggestions for capacity development that could be supported during implementation of the new strategy.

### Orientation on Conflict Sensitive Journalism

The NPTF with technical support from the EU TA organized a half-day workshop on “Conflict Sensitive Journalism” on 4 April at Sauraha, Chitwan. There were 23 Chitwan-based journalists at the workshop. Mukunda Prasad Paudyal, Director, NPTF, attended the opening session and briefed participants about the activities carried out by the Fund. He spoke about the importance of regular communication with journalists and shared information on the NPTF funding mechanism, its funding status and approval processes. He also responded to questions raised by the participants.



*Mukunda Prasad Paudyal, Director, NPTF, addresses journalists at an orientation session on conflict-sensitive journalism in Chitwan.*

Thomas Thomsen, EUTA team leader, spoke about the technical assistance to the NPTF and explained the role of consultants on Public Finance Management, Communication, programs and Monitoring and Evaluation.

“We are using TV and radio for communication. We are now interested in collecting success stories from this area where the NPTF-funded projects have been



implemented,” he said. He also asked the journalists to suggest stories ideas that the NPTF could work with them to prepare.

Binod Bhattarai, Communication Expert, led the workshop on Conflict Sensitive Journalism where he explained types of conflicts, conflict outcomes, types of violence – structural and cultural – and how journalists could report on conflicts.

The workshop was organized in collaboration with Federation of Nepali Journalists (FNJ) Chitwan. Deependra Baduwal, Vice president of FNJ Chitwan thanked participants for their participation and requested NPTF to consider organizing such events more frequently.

The purpose of organizing the workshop was to expand the knowledge of journalists on NPTF supported projects and on peace/conflict sensitive journalism.

## Core Cluster Meeting

The 23<sup>rd</sup> meeting of the core cluster was held on 17 March at NPTF. The meeting discussed and approved two program proposals - Cluster 1: Social dimension/ Support to CAPs, and Cluster 4: Political Dimension.

The meeting also discussed issues related to the MoPR project on providing psychosocial counseling and support to CAPs. The discussions dwelt on how the project on peace campaigns for solidarity and unity could be implemented, and how the constitutional consultations could be supported.

Mukunda Paudyal, Director, NPTF and Chair of the Core Cluster welcomed the participants and explained the agenda and why the two program proposals needed a review and approval.

Thomas Thomsen, EUTA, briefed the meeting on the program documents and said that they were intend-

*Core Cluster meeting at PFS.*



ed to inform the Board about the potential areas under which projects would be formulated after the approval of the new strategy. He said that comments had already been incorporated but there was a need for a clearer understanding of two specific aspects:

The use of terminology on kind of relief and recovery and/or reparation, and also the right-based approach because the understanding reached during strategy formulation was that Cluster 1 would cover relief and rehabilitation, and Inclusion of a theory of change in the program document as this was not used so far in Government projects and programs and would require substantial training of staff for formulating the documents.

The Donor Group (DG) had recommended that the theory of change be introduced in the program. It was agreed that the theory of change would be used only in program and not project documents. For individual projects the logical framework would incorporate goals, outputs and activities and project activities.

On 'reparation' donors had asked how it would include broad social, financial as well as legal obligations. Their concern was not leaving out any component of reparation because that could close the door for future support. The idea was that the proposed program could address immediate relief and recovery needs and the compensation component could be dealt with later – after the two Commissions began to function.

The Director explained that the project documents would provide details on how they would deal with the aforesaid issues. It was agreed that the NPTF Director would suggest wording for how to include a broad understanding on reparation related to CAPs.

It was also suggested that ex-combatants not be considered as a separate group of specifically intended beneficiaries. The support to ex-combatants would require a different approach and would best fit in with that provided through all other categories and projects. The meeting then agreed to remove ex-combatants as a separate category and that they would be included for support through other categories such as Local Peace Committees,

in livelihood projects and in those on psychosocial counseling.

It was also agreed that the possibility of working with Non-Governmental Actors (NGAs) on some specific activities within the project would be kept open. The meeting agreed – in principle – on presenting the program documents for approval. It was also agreed that a rough estimate would be prepared for funding of programs under different clusters.

Representatives from the MoPR, EUD, USAID and NPTF and EUTA attended the meeting. The UNPFN did not attend the meeting owing to prior commitments.

## **Orientation Program for Implementing Agencies**

The NPTF organized a one-day interaction and orientation program with Implementing Agencies on physical and financial progress, and reporting formats on 15 March. The program aimed to orient Implementing Agencies on a newly developed reporting format on physical and financial progress. There were 47 participants at the meeting.

The Director of NPTF, Mukunda Prasad Paudyal, welcomed the participants and explained the difficulties NPTF had been facing due to slow implementation of activities and delay in submission of reports in prescribed formats. He also touched upon the lack of accountability at some Implementing Agencies vis-à-vis the implementation of approved activities.

He added that problems in project implementation could be resolved through consultations between NPTF and the agencies and also spoke about the progress in the formulation of the new NPTF strategy. He told the participants that they would now need to understand the strategy before formulating proposals because that would guide the support.

Til Bahadur Thapa, Financial Management Officer (now retired), spoke about the problems in the financial reports and statements submitted by the Implementing Agencies. He added that the new reporting format was in line with that of the Government and

that some changes were needed to ensure that the reporting was aligned with the PFor and JFA.

Mr. Thapa further explained that there were differences in nine specified JFA Expenses Heads and maintenance of non-freeze accounts when compared with the Government system. He added that the PFS would provide further clarifications that the participants required on the accounting and reporting procedures.

Nanda Kishor Sharma, Senior PFM Advisor of the EUTA made a presentation on requirements and peculiarities of NPTF supported projects in terms of financial management and also explained ways for resolving problems with reporting.

He said that Implementing Agencies were not exempt from following Government requirements and stressed that all required formats needed to be prepared, and that the NPTF requirements were add-ons those that existed. He added that balancing NPTF and government requirements was necessary to ensure sound financial management.

Mr. Sharma explained the need of preparing Audit Follow-up Action Plan and shared the format developed by the PFS. This, he said, would help while settling audit observations related to NPTF projects and monitor, and report the progress. The Implementing Agencies are required to use the format to report their progress on the settlement of audit irregularities each trimester.

The Implementing Agencies were also provided with copies of Financial Management Improvement Plan (FMIP) prepared for addressing issues that were noted in implementation.

The orientation also covered reporting of physical reporting and progress. Laxmi Datt Kalauni, Under Secretary and M&E Officer of PFS, had led the session.

Arvind Rimal, M&E Officer at EUTA, made a presentation on the progress of projects. He said all projects funded by the NPTF are peace sensitive and need to be implemented with peace sensitive approach. He also touched upon the weak implementation and

the failure by Implementing Agencies to deliver the planned outputs.

Dr. Munni Sharma, GESI Advisor USAID/PFS, led the session on GESI sensitive reporting.

The final session, dealt with financial reporting formats using Excel that had been prepared for reporting. This was done to ensure that the participants were familiar with the format and the requirements, and also to ensure that they were exposed to the software.

The participants were program and finance staff of Implementing Agencies and the workshop covered.

## Workshop on Peace Sensitive Development Approach

The NPTF organized a workshop on “Peace Sensitive Development Approach” on 29 March with support of the EUTA. The workshop focused on the draft “Peace Sensitive Development Policy” of the MoPR. The main objective of the workshop was to discuss the draft report and gather suggestions for finalizing the policy paper.

Khumraj Punjali, secretary, MoPR, delivered the opening remarks where he explained why the peace sensitive development policy was being prepared. He added that peace sensitive development was the priority of the ministry.

Similarly, the Director of NPTF briefed participants on the objectives of the program and said that the

*Khum Raj Punjali, Secretary, MoPR, addressing the workshop on Peace Sensitive Development Approach.*







*Mukunda Prasad Paudyal, Director, NPTF, and other participants at the workshop on Peace Sensitive Development Approach.*

Government would adopt the policy after similar consultations with key agencies.

There were 45 officials from the MoPR, PFS, and other Government agencies at the meeting. The draft policy paper was presented by Dr. Jagadish Pokharel and was commented upon by Puspa Lal Shakya, Joint Secretary of National Planning Commission, Prem Ojha, from the Conflict Prevention Program of UNDP and Sharada Janwali from Asian Development Bank. The presentation was followed by a plenary discussion and question/answer session.

While welcoming the policy initiative, the commenters said that the National Planning Commission and Ministry of Finance should take ownership of the policy along with the MoPR to ensure effective implementation. They also recommended the development of smart indicators for progress monitoring.

## Staff news, farewells/appointments

Mukunda Paudyal, Director of NPTF, coordinated rescue operations and relief distribution in Kavrepalanchowk District after the earthquake on 25 April. He was assigned to the task for two weeks.



*Mukunda Prasad Paudyal, Director NPTF observing the earthquake damages in Kavrepalanchowk District.*

The PFS bid a farewell to Til Bahadur Thapa, Under Secretary, on 28 May. Mr. Thapa had been working at PFS as a Financial Management Officer for more than three years. He retired from the Government service after serving for 33 years.



*NPTF officials during farewell at PFS.*

Similarly, Buddha Bahadur Gurung, Under Secretary, assumed responsibility at the PFS from 22 April. Mr. Gurung is responsible for Program Management, and Monitoring and Evaluation. Previously, he had worked in the MoPR in the Planning and Budgeting Coordination Section. Mr. Gurung holds an M.Phil. in Public Administration From the University of Bergen, Norway.

Yagya Bikram Shahi was appointed to the donor group secretariat for the NPTF on 9 March. The position is funded under the technical support provided by USAID.

---

### Peace Fund Secretariat

Babar Mahal, Kathmandu, Nepal

Phone +977 1 4223993 • Fax +977 1 4228261

Email: info@nptf.gov.np • Web: www.nptf.gov.np