

**Inclusive elections key to peace and development, say government and
development partners following consultation meeting**

The Government of Nepal and development partners today completed a consultation that focused on key peace and development issues facing Nepal at this important moment in the country's democratic transition. The Consultation strengthened the recognition by all that acceleration of Nepal's development is inherently linked to the success of the peace process, and that it must be built upon the foundation of inclusive democracy and human rights. "An inclusive Constituent Assembly election, conducted in a free and fair atmosphere, is an essential next step towards peace and development in Nepal," said Finance Minister Dr Ram Sharan Mahat.

Government and development partners agreed on the importance of moving ahead on the peace process including through the implementation of agreements, establishing the high level monitoring committee and peace commission; properly supported discharge of minors; discussions on the future of armed forces, and by fulfilling commitments to families and those affected by armed conflict, including the disappeared.

Government and development partners recognized the important role played by the United Nations Mission in Nepal in supporting the peace process. In a presentation on the peace process, Ian Martin said "we are here to support what the people of Nepal called for in 2006, and what is enshrined in the Comprehensive Peace Accord: a democratic transition to economic and social change in an inclusive Nepal."

Participants welcomed the Government decision to establish the Peace Commission and the High-Level Monitoring Commission, as urgent measures to assist in the implementation of the peace process. It was agreed that implementation of agreements needs to be strengthened in order to move the peace process forward.

Sue Goldmark, World Bank Country Director, emphasised "the need to maintain macro-economic stability, and to improve Nepal's investment climate – including the importance of trade, private sector development and the promotion of employment opportunities in a comprehensive manner to ensure broad-based development and the achievement of the Millennium Development Goals." Paul Heytens, Country Director of the Asian Development Bank, highlighted "the need to speed up implementation of ongoing development projects in order to deliver a peace dividend to the people of Nepal," and participants agreed to continue support to:

- Local road development, focusing on connecting the 12 remaining districts not yet connected by road in order to link all of Nepal's 75 districts, and upgrading and maintaining thousands of kilometers of roads in all parts of the country.
- Improve roads, water supply and sanitation in 29 small towns, home to around half a million people.
- Improve the health sector, including progressively abolishing fees in order to reduce barriers to services for Nepal's poorest, expanding maternity services, and improving service delivery through increased supplies of essential medicines and more health workers.
- Construction of 9,000 new classrooms for schools, 2,000 of which will be built by communities, and the employment of 13,000 new temporary teachers, in order to improve the quality of education.
- In vocational training, support to the Government to provide training and technical education to an additional 16,000 people

Participants emphasized that a democratic national government will prepare the way for the restoration of democratic local governance which is essential for implementation and service delivery at the local level.

Participants agreed that the critical next steps in Nepal's development future are the consolidation of the peace process by the implementation of peace agreements and the holding of an inclusive Constituent Assembly election in a free and fair atmosphere. "Following this consultation development partners and the Government will immediately work on a Peace and Development Framework to deliver a peace dividend to the people of Nepal, with measurable targets in priority sectors to which we can all be held to account," said Bella Bird, Head of DFID Nepal. "Improvements in public financial management and combating corruption will also need measurable targets," said Danish Ambassador Finn Thilsted.

"We have agreed that following a successful election Government and development partners will meet again at a Nepal Development Forum, in which the international community can develop with the Government a compact and discuss future resources to help Nepal deliver on peace and development priorities," said Finance Minister Mahat.

**Press statement at close of Government of Nepal Donor Consultation Meeting, Kathmandu
22nd February 2008**

Background

The objective of the 2-day consultation was for Government and development partners, together with members from the private sector and civil society, to share perspectives on how to strengthen both the peace process and development in Nepal. Participants included Government Ministers and officials, representatives from wide range of political parties, and members of civil society and the private sector, as well as Nepal's international development partners, including the United Nations. Discussions focused on some key principles for success - building upon the aspirations of the people of Nepal, expressed in the *Jana Andolan* of 2006, for an inclusive, just and democratic society - and mapped out a way forward to and beyond the Constituent Assembly election.