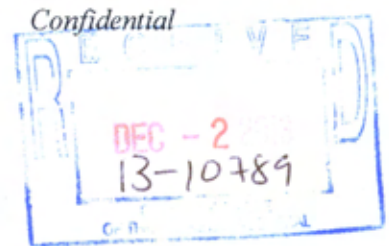


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Note to the Secretary-General
(Through the Deputy Secretary-General)

NEPAL



1. This is to update you on the conduct and the preliminary results of Nepal's second Constituent Assembly (CA) election held on 19 November. There had been doubts in the preceding months as to whether all major parties would remain committed to the electoral process. Furthermore, there were security concerns arising from the violent election boycott of a splinter group of the Maoist party, the Communist Party of Nepal - Maoist (CPN-M). However, the election was peaceful, with no serious incidents on polling day and following a largely peaceful electoral campaign. Turnout was at an unprecedented high at over 78 per cent. The UN Country Team, UNDP's electoral assistance project and the DPA Liaison Office (LO) extended substantial support to the process. All major parties and international observers welcomed the successful and peaceful conduct of the polls. There have been no incidents of post-election violence and there is currently no indication that violence may occur in the near future.

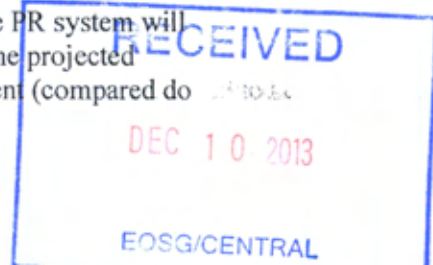
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2. It emerged from early results that the largest party in the first CA (and one of the principal parties to the peace process since 2006), the Unified Communist Party of Nepal - Maoist (UCPN-M), had suffered a major electoral setback. Subsequently, the party's Chairman, Pushpa Kamal Dahal "Prachanda", alleged massive electoral fraud, withdrew his party agents from counting centres and threatened not to recognise the result or participate in the second CA. Other regional and identity based parties which had also performed poorly joined the UCPN-M in making these allegations. However, no evidence of widespread fraud has emerged and a formal complaint has been lodged so far in only one of the 240 constituencies. The UCPN-M Chairman, on behalf of 13 parties including Madhesi and indigenous, has submitted a letter to the Election Commission (EC) of Nepal calling for a "high-level independent commission" to investigate the allegations of widespread fraud. The EC's response was for the parties to follow the formal procedures before the CA court.

3. During the early days of counting and amidst increasing concern that the UCPN-M may pull out of the process, I spoke to the leaders of the UCPN-M, urging them to continue to work together with the other parties in the CA to complete the constitution drafting process and emphasizing the progress Nepal has made in the peace process since 2006. I also spoke to the Foreign Minister, congratulating the Interim Council of Ministers (IECM) for the peaceful and orderly conduct of the polling process. As the initial shock of defeat has faded, there are indications that the defeated parties (including the UCPN-M) are in fact preparing to join the second CA. However, adjusting to their diminished influence will be a challenge.

4. Calculations about the precise number of seats for each party are yet to emerge. Preliminary results indicate that under Nepal's mixed electoral system the Nepali Congress (NC) won 105 out of 240 first-past-the-post (FPTP) seats, followed by the (centrist) Communist Party of Nepal - Unified Marxist Leninist (CPN-UML) with 91 and the UCPN-M with 26. Counting of votes cast under the proportional representation (PR) component was completed on 28 November and followed a similar trend. Several smaller parties also won a small number of seats.

5. The FPTP results appear less "inclusive" than in 2008. Fewer women have been elected (10 compared to 30 previously). The application of quotas under the PR system will increase the proportion of female CA members, but, according to experts, the projected proportion of women in the new CA is expected to be between 26 -29 percent (compared do



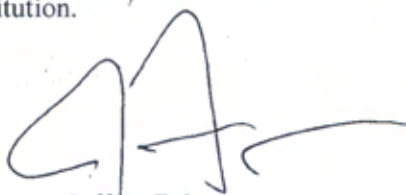
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33 percent achieved in the first CA). There has also been a decline in the representation of "marginalized" ethnic or caste groups under the FPTP compared to the first CA, although in many cases their numbers held up better than those of women.

6. The NC and UML have now begun negotiations to form a coalition government, which would have the two-thirds majority in the CA required to pass the new constitution. These parties have held out the hope that other parties will join them in a "consensus" government to complete the constitution within one year. In the past, power-sharing negotiations have been protracted and it remains to be seen how well the parties can work together. According to political interlocutors there is a debate over leaving the current Chief Justice-led interim ministerial cabinet in place until the constitution is promulgated, on the grounds that this would allow the parties to focus on drafting the constitution and on parliamentary business. However, the Chief Justice-led government has been criticised by some for weakening the separation of powers and undermining democratic institution building.

7. All major parties are publicly committed to carrying over the substantial portion of constitution drafting completed by the first assembly and to institutionalising secularism, republicanism and federalism (the precise nature of which remains to be agreed upon) in the new constitution. The losing parties fear that with less than one third of the seats in the second CA, they will not be able to protect their agenda, which emphasises addressing the grievances of historically marginalised communities through a federal model based on ethnicity.

8. The defeat of these parties has been widely interpreted as a rejection of their ethnicity-based federal model which was also strongly debated in the first CA. There are many ways, however, that issues of "inclusion" could be pursued other than ethnic "identity-based federalism". DPA will continue to work closely with the LO to give the parties adequate support and space for considering a wide array of other options. With continued international support, there are grounds for hope that the parties can overcome mistrust and reach a consensus to complete a broadly acceptable new constitution.

A handwritten signature in black ink, appearing to be 'Jeffrey Feltman', with a long horizontal line extending to the right.

Jeffrey Feltman
2 December 2013