

# **GS Paper 2**

## **International Relations**

**India and its Neighbourhood**  
**Indo-Nepal Relations**

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# Why is Nepal important for India?

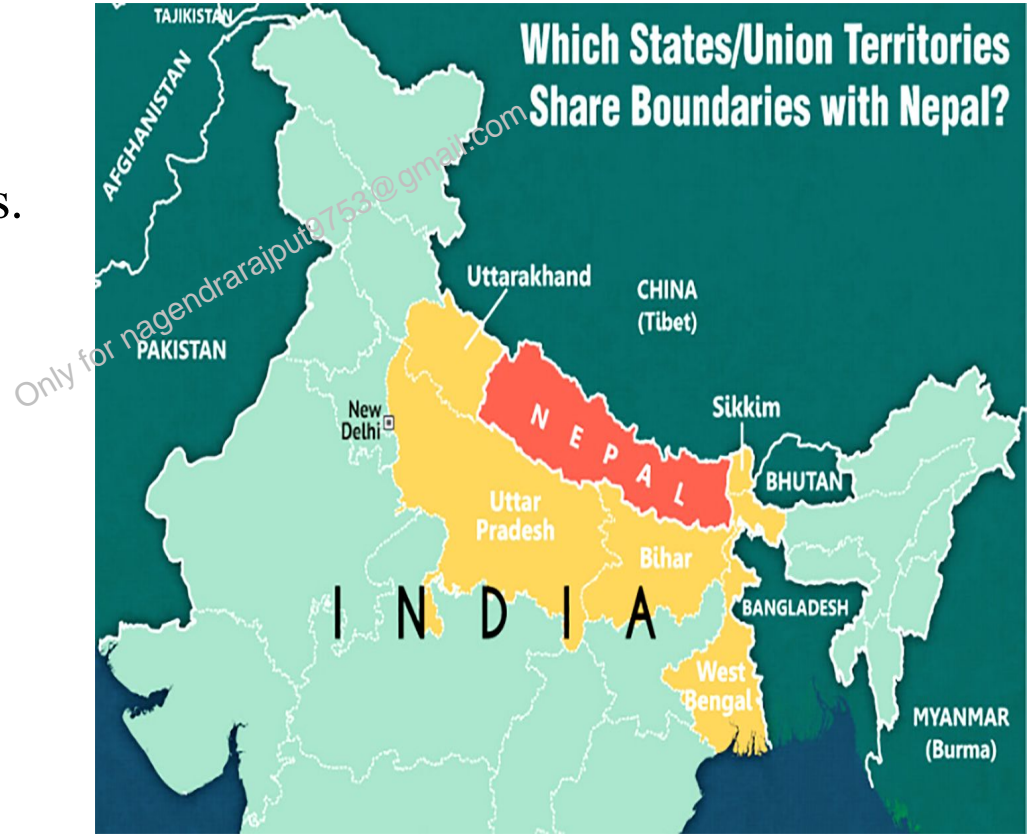
Given the importance of ties with Nepal, Indo Nepal relations are often romanticised as one of “**Roti-Beti**” (food and marriage)

## 1) Location

- Land Locked country
- Shares border with 5 Indian states.

## 2) Strategic Importance

- Acts as a buffer state for India.
- Security concerns
- Chinese Angle



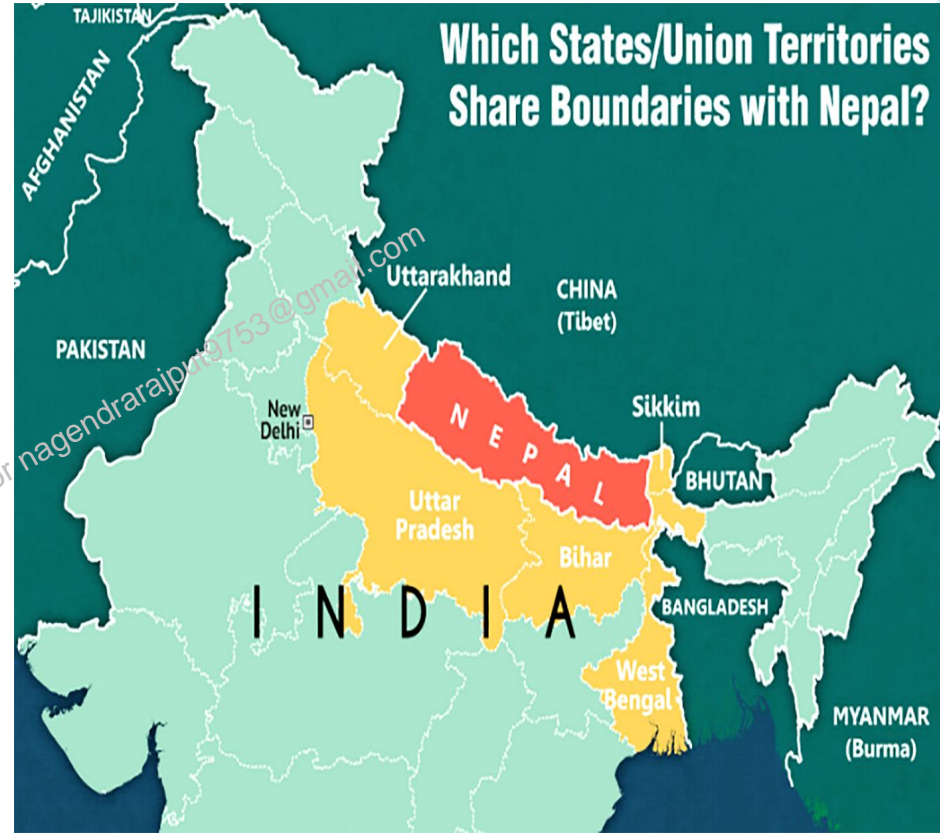
# Why is Nepal important for India?

3) Manifestation of Neighbourhood First Policy

4) Nepal's Hydroelectric potential

5) Experimental place for Global Climate Change

6) Potential for Mountain economy



# Political Transition in Nepal

- **1768-90** – Shah Dynasty begins after Prithvi Narayan Shah conquers Kathmandu and lays foundations for a unified kingdom of Nepal. The Shah Dynasty lasts until 2008.
- **1846** – Rana Dynasty begins rule in Nepal from 1846-1951 when Jang Bahadur Rana takes over as prime minister and establishes hereditary rule of the Ranas as prime ministers which lasts for over a century. Shah Kings are reduced to figureheads with no authority.
- **1946** – The Nepali Congress Party is established.
- **1948** – Nepal's first-ever constitution is promulgated.

- **Nepal's struggle for democracy post 1951.**

- ✓ King Tribhuvan (from Shah Dynasty) seeks asylum in India after falling out with the Ranas, who incriminate him in a plot against them. Ranas install Gyanendra, then a toddler, as king.
- ✓ **1951** – King Tribhuvan is restored to the throne and the monarchy once again becomes a key centre of control. Rana rule ends and Nepalese Congress Party forms government.
- ✓ **1959**--King declared NC as corrupt and removed it from power. Subsequently a party-less Panchayat system was established.
- ✓ **1972** –King Mahendra dies. He is succeeded by his son King Birendra.
- ✓ **1990** – King Birendra, under pressure from the pro-democracy movement, lifts ban on political parties. King announces a new constitution forming a democracy under a constitutional monarchy.

- ✓ **1994---**the Unified Marxist Leninist Party (UML) tried to generate an anti-India sentiment in Nepal.
- ✓ The anti-India narrative worked well for UML and they succeeded in capturing power but for a short period of 9 months in Nepal.
- ✓ **1994---**The UML was removed and the NC again came into power in 1994.
- ✓ **2001-** King Birendra and most members of the royal family are killed by then crown prince Dipendra, who also dies after the shoot-out. Prince Gyanendra becomes king.
- ✓ **Period of civil unrest ---**The civil unrest evolved into civil uprising and got inspired by Maoism. The Maoist movement in Nepal became fully visible by 2005.

- ✓ King Gyanendra takes absolute power, assumes direct control to crush the Maoists and declares an emergency lifting it after 3 months under international pressure.
- ✓ **2006** – King Gyanendra gives up absolute power after widespread protests. G.P. Koirala, sworn in as prime minister begins talks with rebels and signs a peace deal with rebel chief Prachanda, ending a war that resulted in death of more than 13,000 people.
- ✓ **2007**---An interim constitution was prepared in 2007.
- ✓ **2007** – Uprising begins in the ethnic minorities (Madhesi population) in southern plains of Nepal in favour of inclusion of federal system, new delimitation of electoral constituencies in constitution and greater inclusion of Madhesis in all government bodies and formation of autonomous Madhesi state.

- ✓ **2008** –On May 28, 2008, the newly elected Constituent Assembly declared Nepal a Federal Democratic Republic, abolishing the 240 year-old monarchy. Nepal today has a President as Head of State and a Prime Minister heading the Government.
- ✓ Nepal was suppose to give the new constitution by 2010. However, by 2010, the constitution was not ready but delayed.
- ✓ **2015**--After tremendous delays, Nepal finally accepted a constitution in September 2015.
- ✓ **December 2022**---former Maoist guerilla chief, Pushpa Kamal Dahal aka Prachanda, became Nepal's new prime minister after the election. He was elected as prime minister for the third time.
- ✓ **March 2023**---Ram Chandra Paudel of Nepali Congress was elected as Nepal's third president to succeed Bidya Devi Bhandari.



## WHY IN NEWS?

**1) 04-05 January 2024--- Ministry of External Affairs Government of India Jaishankar visited Kathmandu** on the invitation of the Foreign Minister of Nepal, Mr. N.P. Saud for co-chairing the 7th meeting of the India-Nepal Joint Commission. (The India-Nepal Joint Commission was established in 1987 and provides a platform for both Ministers to review all aspects of the bilateral partnership.)

- Several agreements were signed between India and Nepal.

✓ **The first being a long-term agreement on Power Trade**—With the signing of the agreement, the bilateral understanding **to export 10,000 megawatts of electricity (from the current 450 megawatts) from Nepal to India in the next ten years** has been materialized.

- ✓ Another agreement was signed to **enhance investment in High Impact Community Development projects.** In the new Agreement, the budgetary ceiling for implementation of HICDPs has been increased from NPR. 5 crore to NPR. 20 crore. (NPR—Nepali Rupee).
- ✓ There was a signing of the MoU for Cooperation in Renewable Energy Development between Nepal Electricity Authority and NTPC Limited.
- ✓ Launch Service Agreement for Munal Satellite developed by Nepal Academy of Science and Technology between NewSpace India Limited and Nepal Academy of Science and Technology.
- ✓ The two Ministers also jointly inaugurated three 132 kV cross-border transmission lines between India and Nepal, namely, the second circuit of Raxaul-Parwanipur line, the second circuit of Kataiya-Kusaha line, and the New Nautanwa-Mainhiya.

**2) May 31-June 3, 2023---Nepal's Prime Minister, Prachanda, visited India from May 31 to June 3, marking his first international bilateral visit since he took office in December 2022.**

### **Key Highlights:**

- The revision of the India-Nepal Treaty of Peace and Friendship of 1950 was not raised, perhaps for the first time in recent years.
- Talks were made on a long-term agreement which is targeted at 10,000 MW of power supply to India in a 10-year time frame against the current 450 MW. (This agreement has now been finalised with visit of our EAM on January 2024)

- Talks were held regarding the proposed three-way deal, within which Nepal will supply hydropower to Bangladesh. India agreed to permit the “first trilateral power transaction from Nepal to Bangladesh via India” for up to 40 MW. The electricity will be supplied from Nepal’s 900 MW Upper Karnali hydropower project.

(Actually, India, Nepal and Bangladesh are working on a tripartite power trade deal under which Nepal will supply up to 500 megawatts (MW) of hydropower to Bangladesh using India’s transmission line, a move that can further boost cross-border electricity trading in South Asia. It will also open ways to sell power to neighbouring countries such as Sri Lanka and Myanmar.

Besides, there are also plans to lay a dedicated transmission line connecting Nepal and Bangladesh via India for seamless transmission.)

- The ambitious Pancheshwar 5,000 MW hydro-project, is to be fast-tracked.

- The Transit Treaty between the two countries has been renewed and Nepal has now been given access to India's inland water transport network which will enhance its connectivity with India and presumably to Bangladesh, though this has not been specifically stated.
- The existing Motihari (India)-Amlekhganj (Nepal) petroleum products pipeline will now be extended to Chitwan and a second pipeline from Siliguri (India) to Jhapa (Nepal) has been agreed upon. These will greatly enhance Nepal's energy security and provide it with efficient, safe, and secure supplies.

PM Prachanda's visit marks a more positive and hopeful turn in India-Nepal relations.

**3) March 2023---**Newly elected President Ram Chandra Poudel took the oath of office. (PM of Nepal---Pushpa Kamal Dahal, assumed office since December 2022)

**4) September 13, 2022----**Nepal foreign secretary visit to India.

**5) June 17, 2022----**India and Nepal marked 75 years of official diplomatic relations

## **6) 16<sup>TH</sup> MAY 2022 ---Pm Modi visit to Nepal, met his the then counter counterpart Sher Bahadur Deuba.**

### **Key Highlights:**

- **Launch of India International Centre for Buddhist Culture and Heritage in Lumbini**
- **Hydropower Projects**
  - (i) Arun-4 hydropower project
  - (ii) West Seti hydropower project in Nepal
- **Setting up a Satellite Campus of the Indian Institute of Technology (IIT) in Rupandehi.**
- **Pancheshwar Multipurpose Project**

**The two neighbours have multidimensional and dense relations, yet the relationship is marked by contradictions.**

# Areas of Cooperation

## 1) Treaty of Peace and Friendship of 1950

- Permits close relationship and collaboration on matters of defence and foreign affairs.
- The two countries agreed to grant, on reciprocal basis, same privileges in matter of
  - ✓ residence,
  - ✓ ownership of property, trade and business.
  - ✓ Movement



# **Critical Issues in Indo–Nepal Treaty**

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# Way Forward regarding issues in Indo Nepal treaty

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## 2) Trade and Economy

- India is Nepal's largest trade partner.
- India is the largest source of foreign investments.
- Nepal is an important export market for India.
- Hydro power potential
- Nepal is the largest borrower of Indian Currency in South Asia.

### 3)Power Sector

On August 2022, the West-Seti Hydropower Project has been finalised.

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#### 4)Connectivity

**'HIT' (Highways, Information ways and Transways) formula suggested by Indian PM Modi during his visit to Nepal in 2014, highlights the importance of connectivity as cornerstone of Indo Nepal cooperation.**

- 1950 Treaty of Peace and Friendship
- An MOU have been signed between both governments for laying an electric rail track linking Kathmandu with Raxaul in India.
- Develop the inland waterways (linking Sagarmatha (Mt. Everest) with Sagar (Indian Ocean))
- In Jan 2022, the Union Cabinet has cleared a plan to build a new bridge connecting India and Nepal over the Mahakali river and link Dharchula in Uttarakhand with Nepal's Dharchula.

- BBIN Motor Vehicles Agreement (MVA)



## **5)Development Assistance**

- The areas of assistance include **infrastructure, health, water resources, and education and rural & community development.**

## **6) Defence Cooperation**

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## 7) Cultural

India has signed three sister-city agreements for the twinning of

- ✓ Kathmandu-Varanasi,
- ✓ Lumbini-Bodhgaya
- ✓ Janakpur-Ayodhya.

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## 8) Humanitarian Assistance

**2015---Operation Maitri** is the rescue and relief operation in Nepal by the Government of India and Indian Armed Forces in the aftershock of the 2015 Nepal earthquake.



## 9) Multilateral Partnership

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# Challenges in Indo Nepal Relations

**Ques/- India-Nepal relations has been deteriorated in recent times and need to be strengthened. Critically examine.**

## **1) Territorial Disputes**

### **(a) Kalapani dispute**

Kalapani is a strategically important tri-junction between India, China and Nepal in the Pithoragarh district of Uttarakhand.

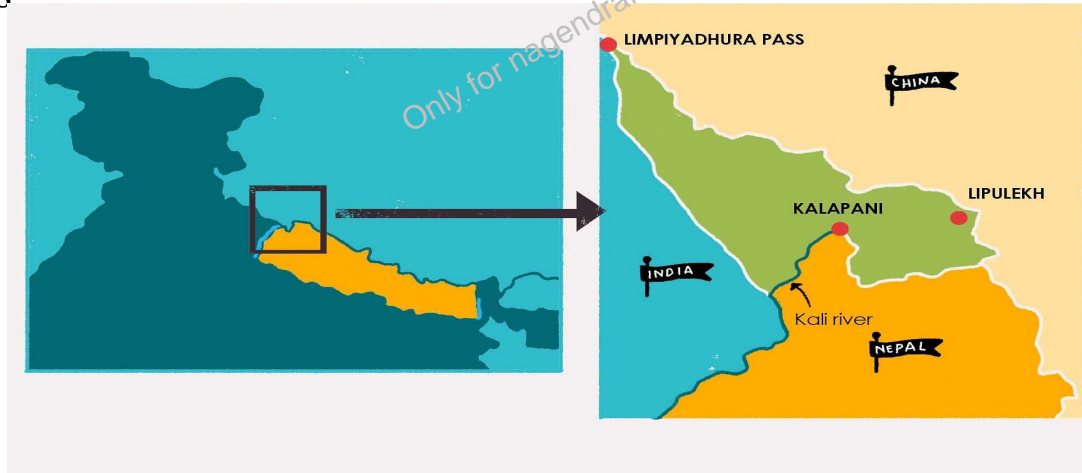


## What is Kalapani dispute

Both India and Nepal claim Kalapani as an integral part of their territory — India as part of Uttarakhand's Pithoragarh district and Nepal as part of Dharchula district.

## Presently Who controls the area?

Presently it is in India's control but Nepal claims the region because of historical and cartographic reasons



## **What is the origin to the dispute**

- Before the 1816 Treaty of Sugauli, the Nepalese kingdom stretched from the Sutlej river in the west to the Teesta river in the east.
- Nepal lost the Anglo-Nepalese War.
- Subsequently, the Sugauli Treaty was between the Rajah of Nepal and the East India Company.
- According to the treaty, the British rulers recognised Nepal's right to the region that fell to the east of the river Kali.
- The Treaty thus established Mahakali River as a dividing line in the Western sector.

**Present issues:** The dispute is mainly because of the varying interpretation of the origin of the river and also due to shifting of river course.

**Nepal's claim:**

According to Nepal's experts, the east of the Kali river should begin at the source of the river.

The source according to them is in the mountains near Limpiyadhura.



Nepal claims that a land mass, from Limpiyadhura downwards, is theirs. Thus, all the three areas Limpiyadhura, Lipulekh and Kalapani are considered to the east of the river Kali and claimed under Nepali control.

**India's claim:** India on the other hand says the border begins at Kalapani which India says is where the river begins.

## **Present controversy**

**2019---**The new political map of India post creation of 2 UTS of J&K in west and Ladakh in east in 2019, showed the Kalapani area as a part of India

**2020---** In a revised official map, Nepal has incorporated the territory from the Limpiyadhura source of the Kali to Kalapani and Lipulekh pass in the northeast of the triangular region as its territory.

**(b) Susta**

**(c) Lipulekh issue**

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## 2) Nepal's new constitution and Madhesis issue

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### 3) Nepali nationalism and Anti-India sentiments

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#### **(4)Pancheshwar Multipurpose Project**

**1996---**The Mahakali treaty was signed, and an agreement was made for building Pancheshwar Dam for irrigation, flood control and generation of 5,040 MW of power for the countries.

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## **5) Deeply divided internal politics and unstable democracy**

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## **(6) Issues with Peace and Friendship Treaty**

## **(7) Demonetisation**

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## **(8)China factor**

**Why is China seen as a challenge by India?**

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# Nepal-China Trans-Himalayan Multi-dimensional Connectivity Network



# Reasons behind Nepal's growing proximity with China

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# Way Forward

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## **Conclusion**

**It was said that India-Nepal relation is as strong and as ancient as the Himalayas.**

On the recent visit of PM Modi to Nepal, India held that ,**”Our ties with Nepal are unparalleled. The civilisational and people-to-people contacts between India and Nepal form the enduring edifice of our close relationship.”**