



Indo- Nepal Relations: A New Beginning

*Dr. Amit Kumar**

Prime Minister Narendra Modi's two day visit to Nepal, on 3-4 August 2014, marked a new beginning in Indo-Nepal relations. The Prime Minister expressed his commitment to Nepal's development and promised to take all necessary steps to take the relations into a new height. Moreover, with repeated emphasis on sovereignty and assurance of non-interference in internal affairs of Nepal, he made a successful attempt to win the hearts and minds of the Nepalese people and dispelling India's image as a hegemonic power to a certain extent.

Prime Minister showed his willingness to revise the 1950 Treaty of Peace and Friendship, and clearly stated that 'India is ready to consider suggestions from government of Nepal, if any, to review the treaty'. Nepal considers the treaty 'unequal', and in the past, has raised the issue of revision of treaty and tried to place it as a key agenda in bilateral talks, but without any suggestions. Nepal's reservation to the 1950 Treaty is primarily based on the premise that the treaty weakens its ability to practice 'sovereign foreign and security policy'. A revision or adjustment of the 'Treaty' will serve the interests of both countries. India will get an opportunity to neutralise the anti-India perception while for Nepal there is a chance to shed perennial ambiguities and take a futuristic approach on its relationship with India. Now it is for Kathmandu has to take up Prime Minister Modi's offer and undertake necessary action to initiate the negotiations for a change.

Prime Minister Modi extended support to Nepalese constitution makers and political leaders and “conveyed best wishes of the government and people of India to the Nepalese leadership and people for their commitment to promulgate the new constitution by early next year.” Nepal is facing constitutional crisis since the Constituent Assembly was dissolved without drafting a new constitution in 2012. Prime Minister Modi hoped that the Constituent Assembly would draft a constitution to support federal and democratic political structure and promote equality in the country. Assuring the political leaders of Nepal, Prime Minister said “we are ready to extend all necessary helps to bring the constitution on time”. His address to the Constituent Assembly of Nepal was appreciated by many Nepalese leaders across the ‘political spectrum’. Interestingly, Pushpa Kumar Dahal or Prachanda, who has been a strong critic of India, praised Prime Minister Modi for touching, inspiring and encouraging speech. Prachanda, chairman of the United Communist Party of Nepal-Maoist (UCPN-M), after the meeting with Prime Minister Modi, expressed confident that ‘a new chapter has begun in Indo Nepal relations’.

A joint statement issued at the end of the visit clearly underlined the need to explore ways to enhance economic and trade cooperation. Prime Minister Modi outlined the concept HIT- to help Nepal through development of highway, information technology and transmission lines for electricity. The dilapidated condition of roads in Indo-Nepal frontier region, huge gap of demand and supply of electricity in bordering states and poor and pathetic state of communication networks in Nepal and border areas of Indian side need steps to improve the condition of roads, information ways and electricity on a priority basis.

It was anticipated that Power Trading Agreement (PTA) would be signed during the visit of Prime Minister but both governments could not reach a consensus on power trade ahead of the visit. Nepal’s apprehension regarding the India’s ‘possible’ monopoly on water resources is causing delay in the arriving at a mutually accepted agreement. Despite obstacles, both sides are optimistic and will make necessary preparations to clinch the deal in coming months. Nepal has approximately 83,000 megawatts (MW) of potential hydroelectricity capacity, out of which about 40,000 MW is economic and technically viable, offering significant export potential and, obviously, a great opportunity to gain huge sum of foreign exchange. Concerned over stalled

projects, Prime Minister Narendra Modi urged that the 5600 MW Pancheswar multipurpose project on Mahakali River should be initiated quickly. According to a joint statement issued at the end of the visit “both sides expressed desire for early conclusion of other three Project Development Agreements (PDA), namely Arun III, Upper Marsyangdi and Tamakoshi III. They emphasized that development of projects of this size will be a major catalyst for the development of Nepal’s enormous hydropower potential.”

Joint statement on the visit of Prime Minister “reaffirmed the commitment of their respective governments not to allow their territories to be used against each other.” Despite repeated assurances, both sides have not succeeded to reduce the misuse of open border by transnational criminals. To reduce the trans-border crime, both countries need to develop an effective joint border management system. Situation along the border can be improved through constant vigilance, joint patrolling and creation of joint task force to combat the transnational crimes. Aiming to improve cross border trade and transit, both countries are planning to construct border railways along all five agreed border points and the four Integrated Check Posts (ICP’s). According to a Joint statement issued at the end of the visit “the two Prime Ministers directed competent officials to expedite construction of cross border railway.” This is a welcome step, must be appreciated. Improved infrastructures of roads and railways in Indo- Nepal frontier region would complement India’s vision of greater economic engagement with Nepal.

The visit opened a fresh chapter in Indo- Nepal relations. By endorsing the idea of “federal and democratic republic”, Prime Minister Modi dispelled fears in Nepal that the new government in India might work for the restoration of monarchy. His momentous speech in Nepal’s Parliament won the hearts and minds of Nepalese. Both countries endorsed new developmental projects, showed their willingness to improve the peace and security at border, promised to improve border infrastructure, and expressed concern over the slow pace of implementation of many projects. In fact, a momentum has already been generated in Indo- Nepal relations and it must be continued with better follow up and implementations.

** Dr. Amit Kumar, Research Fellow at Indian Council of World Affairs, New Delhi.*

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