

# India- Nepal Relations: Notes for UPSC

As close neighbours, India and Nepal share a unique relationship of friendship and cooperation characterised by open borders and deep-rooted people-to-people contacts of kinship and culture.

India-Nepal relations is an important topic from the GS Paper-II of the IAS Exam.

## India – Nepal Relations – Latest Updates

1. Recently, on the invite of Nepal's Prime Minister, Rt Hon'ble Sher Bahadur Deuba, Prime Minister of India Mr. Narendra Modi made an official visit to Lumbini, Nepal, on May 16, 2022, overlapping with the momentous occasion of Buddha Purnima. This was Mr. Modi's fifth visit to Nepal as Prime Minister, but his first to Lumbini.
2. As a unique characteristic, Nepal's internal political fundamentals continue to shape its foreign policy choices. In such a scenario, any inbound or outbound delegation is seen from a different prism.
3. Both the Prime Ministers met in a bilateral meeting wherein the talks of April 2nd in New Delhi, were continued. They discussed about particular projects and proposals for enhancing cooperation in a variety of areas, notably culture, economy, commerce, connectivity, power, and developmental partnerships. The two parties agreed in principle to create sister city ties among Lumbini and Kushinagar, which are among Buddhism's holiest places and represent the two nations' common Buddhist past.
4. Both Prime Ministers attended a special ceremony arranged by the Lumbini Development Trust under the auspices of the Nepalese government to commemorate the 2566th Buddha Jayanti. PM Modi spoke to a big gathering of monks, executives, dignitaries, and others involved with the Buddhist community during the ceremony.
5. The Prime Minister's visit to Lumbini, Nepal, comes after Prime Minister Deuba's successful visit to Delhi as well as Varanasi during April 1st and 3rd, in 2022. The visit of PM Modi to Lumbini also highlights the deep and rich civilizational ties that exist among both Nepal and India, as well as the contributions made by people on either side to nurture and develop it.

## Indian PM's visit to Nepal May 2022

Along with fostering cultural and civilizational ties between the two nations. The visit proved to be successful in terms of the signing of 6 different memorandum of understandings (MoUs) between India and Nepal as listed below which will further the bilateral ties:

1. MoU between Indian Council of Cultural Relations (ICCR) and Lumbini Buddhist University on the establishment of Dr. Ambedkar Chair for Buddhist Studies.
2. MoU between Indian Council of Cultural Relations (ICCR) and CNAS, Tribhuvan University on the establishment of ICCR Chair of Indian Studies.

3. MoU between Indian Council of Cultural Relations (ICCR) and Kathmandu University (KU) on the establishment of the ICCR Chair of Indian Studies.
4. MoU in collaboration between Kathmandu University (KU), Nepal and Indian Institute of Technology Madras (IIT-M), India.
5. Letter of Agreement (LoA) between Kathmandu University (KU), Nepal and Indian Institute of Technology (IITM), India [ For Joint degree program at Master's level].
6. Agreement between SJVN Ltd and Nepal Electricity Authority (NEA) for Development and implementation of the Arun 4 Hydropower Project.

## International Centre for Buddhist Culture and Heritage, Lumbini, Nepal

The foundation laying ceremony for the building of the India International Centre for Buddhist Culture and Heritage in the Lumbini Monastic Zone, Lumbini, Nepal, was done by Prime Minister Mr. Narendra Modi and Prime Minister of Nepal Sher Bahadur Deuba. The International Buddhist Confederation (IBC) of New Delhi will develop the facility. The two Prime Ministers also displayed a model of the Centre after the foundation laying rites, which was undertaken by monks from three main Buddhist traditions: Theravada, Mahayana, and Vajrayana.

## Background of India-Nepal relations

There has been a long tradition of free movement of people across the borders. Nepal has an area of 147,181 sq. Km. and a population of 29 million. It shares a border of over 1850 km to the south with five Indian States – Sikkim, West Bengal, Bihar, Uttar Pradesh, and Uttarakhand and in the north with the Tibet autonomous region of the People's Republic of China. The India-Nepal Treaty of Peace and Friendship of 1950 is the bedrock of the special relations that exist between India and Nepal. Both nations are also members of the South Asian Association for Regional Cooperation (SAARC).

## Indo-Nepal Friendship Treaty

Under the provisions of the treaty, Nepalese citizens have enjoyed unparalleled advantages in India, availing the facilities and opportunities at par with Indian citizens. The Treaty has enabled Nepal to overcome the disadvantages of being a land-locked country. Over time, many regimes in Nepal have raised the issue of revision of the treaty. India has maintained that it is willing to examine all bilateral arrangements to further strengthen our relations. Specific suggestions from the Nepalese side have not been forthcoming. Beginning with the 12-Point Understanding reached between the Seven Party Alliance (SPA) and the Maoists in Delhi in November 2005.

Government of India welcomed the roadmap laid down by the historic Comprehensive Peace Agreement of November 2006 towards political stabilisation in Nepal through peaceful reconciliation and inclusive democratic processes, India has consistently responded with a sense of urgency to the needs of the people and Government of Nepal in ensuring the success of the peace process and institutionalisation of multi-party democracy through the framing of the new Constitution of India by a duly elected Constituent Assembly. India contributes to the development efforts of the Government of Nepal (GoN) by undertaking various

development projects in the areas of infrastructure, health, rural and community development, education, etc.

## India-Nepal Trade Relations

The grant assistance extended to Nepal during 2009-10 under the 'Aid to Nepal' budget was 161 crores. Besides, GOI has extended considerable economic assistance to the ongoing peace process in Nepal. The overall quantum of India's assistance to Nepal is approx. 3600 crores which include the Small Development Projects scheme offered by the Embassy of India that delivers development assistance at the grass-roots level in sectors identified with the local population. It now covers over 370 projects with an outlay of approx. 402 crores. As part of India's effort to assist with capacity building and development of Human Resources in Nepal, over 1500 scholarships are offered annually for Nepalese students to pursue various courses in India and Nepal.

India continues to be Nepal's largest trade partner, source of foreign investment and tourist arrivals. Bilateral trade between India and Nepal has increased substantially since the signing of the Trade Treaty in 1996 and received a further impetus after the signing of the revised Trade treaty in 2009 which has provisions that allow Nepal greater access to the Indian market. According to figures for the Nepalese fiscal year 2066 (July 2010), bilateral trade with India stood at ` 16129.7 crores which accounted for 58.7% of Nepalese total external trade.

## India-Nepal Military Relations

India had played a leading role in helping the Nepal Army (NA) in its modernization through the provision of equipment and training. More than 180 training slots are provided every year for training of NA personnel in various Indian Army training institutions. The Chief of Army Staff of the Indian Army is given the honorary rank of a General in the Nepal Army and a reciprocal honour is conferred on the Chief of the Nepal Army. India has always been proud to have Nepalese as soldiers in her Forces and has made every effort to ensure that they are looked after and cared for in their twilight years. As of now, we have over 1.23 Lakh ex-servicemen residing in Nepal. In 2010-11 the payments of pensions to the Indian ex-servicemen in Nepal amounted to ` 1100 crores.

## Latest Developments in India-Nepal Relations.

PM Narendra Modi's Visit to Nepal (2014) Prime Minister Narendra Modi made every effort to be seen as Nepal's best friend — a commoner, a pilgrim, the guardian of a Nepali in need, and less of a prime minister of a big country. By the time he left Nepal, he had won the hearts and minds of the Nepalese, imprinting deeply the idea that he alone has the will and ability to transform Nepal into a prosperous country. His repeated emphasis on India's respect for Nepal's sovereignty, and the message that missed opportunities of the past and failed promises should not act as speed-breakers in "our future journey to prosperity together", were perhaps aimed at looking ahead at the future, not harping on the past.

By all accounts, many across the border were enthused by the PM's promise of befriending neighbours. Modi did not disappoint. With a speech to Kathmandu's parliament and constituent assembly, widely described in Nepal as "magical", and by wading into welcoming crowds in Kathmandu, Modi may have taken away much of the recently accumulated poison in an old relationship. By emphasising the absolute sovereignty of Kathmandu and affirming that Delhi will not interfere in its internal affairs, Modi tried to address one of the main concerns that animate Nepal's elites — the deep fear of India. While not uncommon among small countries that live next to a large nation, Delhi had found it hard all these decades to overcome the entrenched suspicion of India in Kathmandu. Modi confronted this central problem head-on by offering to revise the 1950 India-Nepal Friendship Treaty — for many in Kathmandu, the very symbol of

an unequal relationship. Modi complimented the new political emphasis on sovereign equality with a persuasive vision for shared economic prosperity through the development of transborder connectivity, agriculture, tourism, and hydroelectric power.

Due to the long-standing Kalapani issue, Indian-Nepali Relations have taken a turn for the worse as of June 2020. Kalapani is a patch of land near the India-Nepal border, close to the Lipulekh Pass on the India-China border, which is one of the approved points for border trade and the route for the Kailash-Mansarovar yatra in Tibet. The issue has been a thorn in Indo-Nepal relations since independence.

On June 13, 2020, the parliament of Nepal voted unanimously to amend the Constitution to redraw the country's new political map, laying claim over the strategically key areas of Lipulekh, Kalapani, and Limpiyadhura along the border with India. The Home Minister of Nepal also announced that 100 more border posts will be built along the new line as the dispute still rages on. At present, the Indian Government has invited Nepal for talks to resolve this long-standing border issue through diplomatic means.

### Way Forward with India-Nepal Relations

- India should stop looking at Nepal purely through a security prism, and at bilateral relations only as transactional and part of a zero-sum game with China.
- India should focus on working towards multifaceted relationships to the advantage of both nations.
- India should negotiate diplomatically to resolve the boundary dispute with Nepal under the aegis of International law on Trans-boundary Water Disputes. In this case, boundary dispute resolution between India and Bangladesh should serve as a model for this.
- India should maintain a policy of keeping away from the internal affairs of Nepal, while at the same time, in the spirit of friendship, India should guide the nation towards a more inclusive democracy.