

10. Despite several attempts at resetting the ties, various barriers continue to be a cause of concern in the India-Nepal bilateral relations. Discuss. (150 words) 10

Approach:

- Briefly explain Indo-Nepal ties.
- Mention the steps taken by India to ensure good relations with Nepal.
- Mention the problems in Indo-Nepal bilateral relations.
- Conclude by providing a way-forward.

Answer:

India and Nepal share unique ties of friendship and cooperation characterized by an open border and deep-rooted people-to-people contacts of kinship and culture.

The India-Nepal Treaty of Peace and Friendship of 1950 forms the bedrock of special relation that allows free movement of people and opportunities to Nepali citizens to work in India. At present, around 6 million Nepalese live and work in India and around 600,000 Indians are domiciled in Nepal.

Steps taken by India to ensure good relations with Nepal:

- **High level exchanges:** Head of state and government of both countries have regularly visited each other. Dialogue mechanism has been institutionalized with **India- Nepal Joint Commission** co-chaired Foreign minister of both countries.
- **Aid and Assistance:** In Budget 2018-19, Grant assistance worth Rs 650 crore was provided to Nepal. Other than that line of credit worth \$1.65 billion has been provided for post-Earthquake (2015) reconstruction. Also, about 30% of approved FDI in Nepal comes from India.
- **Defence cooperation:** About 32,000 Gorkha soldiers are serving in Indian army. A Joint Military Exercise SURYA KIRAN takes place twice a year.
- **Infrastructure:** India supplies around 450 MW of power to Nepal and is also supporting Arun III Hydropower project in Nepal.
- During his 2018 visit to Nepal, Indian PM declared Nepal as the centre piece of India's "**neighbourhood first**" policy. He also inaugurated the **Ramayana Circuit** Bus Route that will connect Janakpur to Ayodhya.

Despite geographical proximity and historical ties, Indo-Nepal relations faces several barriers:

- **Border and river water dispute:** India and Nepal share unresolved border dispute along Kalapani and Susta. Also dispute exists over water of Koshi, Gandaki and Mahakali.
- **Indo-Nepal Peace and Friendship Treaty, 1950:** Nepal believes that the treaty is not in tune with time and undermines Nepal's sovereignty. Nepalese leaders have demanded that the treaty be revised. Also neither side grants the national treatment or the reciprocal treatment as provided in the treaty.
- **Trade and Commerce:** Nepal's largest trading partner is India (65% of its total trade), with whom Nepal runs the largest trade deficit.
- **Nepal-China relationship:** In recent times, Beijing's overtures to Nepal has caused imbalance in Indo-Nepal ties. Though Nepal is an ally of India, it remained neutral during Doklam Standoff. Under BRI, China is extending Trans-Himalayan railways to Nepal and offered access to its ports.

Given increased Chinese influence in the region India should provide an alternative narrative for India-Nepal ties. One that considers longstanding cultural ties while underscoring the commitment for an equitable and sustainable partnership between two sovereign nations. Consideration of the report of the Eminent Persons Group (EPG) submitted in 2018, can be a step forward in this direction