



India-Nepal Relations

Why in News?

- Recently Cabinet approved ₹1236 crore investments for **Arun-3 hydro project**.
- The project will provide surplus power to India's strengthening economic linkages with Nepal.

Historical Ties

- Nepal is an important neighbour of India and occupies special significance in its foreign policy because of the geographic, historical, cultural and economic linkages/ties that span centuries.
- India and Nepal share similar ties in terms of Hinduism and Buddhism with Buddha's birthplace Lumbini located in present day Nepal.
- The two countries not only share an open border and unhindered movement of people, but they also have close bonds through marriages and familial ties, popularly known as **Roti-Beti ka Rishta**.
- The India-Nepal Treaty of Peace and Friendship of 1950 forms the bedrock of the special relations that exist between India and Nepal.

Treaty of Peace and Friendship of 1950

- The treaty talks about reciprocal treatment of Indian and Nepali citizens in the two countries, in residence, property, business and movement.
- It also establishes national treatment for both Indian and Nepalese businesses (ie once imported, foreign goods would be treated no differently than domestic goods).
- It also gives Nepal access to weaponry from India.

Importance of Nepal [//](#)



- Nepal shares border with 5 Indian states- Uttarakhand, Uttar Pradesh, West Bengal, Sikkim and Bihar. Hence an important point of cultural and economic exchange.
- Importance for India can be studied from two different angles: a) their strategic importance for India's national security; and b) their place in India's role perception in international politics.
- Nepal is right in the middle of India's 'Himalayan frontiers', and along with Bhutan it acts as northern 'borderland' flanks and acts as buffer states against any possible aggression from China.
- Rivers originating in Nepal feed the perennial river systems of India in terms of ecology and hydropower potential.
- Many Hindu and Buddhist religious sites are in Nepal making it an important pilgrim site for large number of Indians.

Areas of Cooperation

- **Trade and economy**
 - India is Nepal's largest trade partner and the largest source of foreign investments, besides providing transit for almost the entire third country trade of Nepal.
 - Indian firms engage in manufacturing, services (banking, insurance, dry port), power sector and tourism industries etc.
- **Connectivity**
 - Nepal being a landlocked country, it is surrounded by India from three sides and one side is open towards Tibet which has very limited vehicular access.
 - India-Nepal has undertaken various connectivity programs to enhance people-to-people linkages and promote economic growth and development.
 - MOUs have been signed between both the governments for laying electric rail track linking Kathmandu with Raxaul in India.
 - India is looking to develop the inland waterways for the movement of cargo, within the framework of trade and transit arrangements, providing additional access to sea for Nepal calling it linking Sagarmath (Mt. Everest) with Sagar (Indian Ocean).

- **Development Assistance**
 - Government of India provides development assistance to Nepal, focusing on creation of infrastructure at the grass-root level.
 - The areas assistance include infrastructure, health, water resources, and education and rural & community development.
- **Defence Cooperation**
 - Bilateral defence cooperation includes assistance to Nepalese Army in its modernization through provision of equipment and training.
 - The Gorkha Regiments of the Indian Army are raised partly by recruitment from hill districts of Nepal.
 - India from 2011, every year undertakes joint military exercise with Nepal known as Surya Kiran.
- **Cultural**
 - There have been initiatives to promote people-to-people contacts in the area of art & culture, academics and media with different local bodies of Nepal.
 - India has signed three sister-city agreements for twinning of Kathmandu-Varanasi, Lumbini-Bodhgaya and Janakpur-Ayodhya.
- **Humanitarian Assistance**
 - Nepal lies in sensitive ecological fragile zone which is prone to earthquakes, floods causing massive damage to both life and money, whereby it remains the biggest recipient of India's humanitarian assistance.
- **Indian Community**
 - Huge number of Indians lives in Nepal, these include businessmen, traders, doctors, engineers and labourers (including seasonal/migratory in the construction sector).
- **Multilateral Partnership**
 - India and Nepal shares multiple multilateral forums such as BBIN (Bangladesh, Bhutan, India, and Nepal), BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation) NAM, and SAARC (South Asian Association for Regional Cooperation) etc.

Challenges

- Internal Security is a major concern for India; Indo-Nepal border is virtually open and lightly policed which is exploited by terrorist outfits and insurgent groups from North Eastern part of India eg. supply of trained cadres, fake Indian currency.
- Overtime trust deficit has widened between India-Nepal because of the Indian reputation for delaying implementation of various projects.
- Nepal over the years has witnessed chronic political instability, including a 10-year violent insurgency, damaging Nepal's development and economy.
- There is anti-India feeling among certain ethnic groups in Nepal which emanates from the perception that India indulges too much in Nepal and tinkers with their political sovereignty.
- The establishment of diplomatic relations between Nepal and China and its growing influence in Nepal has resulted in declining traditional leverage of India in Nepal.

Way Forward

- Both the countries are affected due to the misuse of open border by internal and external forces, the responsibility of border management and regulation depends on both.
- India should provide an alternative narrative for India-Nepal ties, one that takes into account longstanding people-to-people ties and cultural connect.
- India should focus on fructifying the potential of hydropower cooperation, which has remained untapped largely due to differing perceptions.
- India should maintain the policy of keeping away from internal affairs of Nepal, meanwhile in the spirit of friendship India should guide the nation towards more inclusive rhetoric.
- With its immense strategic relevance in the Indian context as Indian security concern, stable and secure Nepal is one requisite which India can't afford to overlook.

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