



Strengthening India-Nepal Cooperation

For Prelims: [India and Nepal Relations](#), [Exercise Surya Kiran](#), [2015 Earthquake](#), India-Nepal Treaty of Peace and Friendship of 1950, Phukot Karnali Hydro Electric Project, Lower Arun Hydroelectric Project, Gorakhpur-Bhutwal Transmission Line.

For Mains: Areas of Cooperation Between India and Nepal, Recent Major Issues Related to India-Nepal Relations.

Why in News?

[India and Nepal](#) have recently unveiled **several initiatives and agreements** during the 4-day visit of the Prime Minister of Nepal to India to boost their bilateral cooperation in the fields of energy and transport development, **aiming to strengthen ties and facilitate regional connectivity.**

What are the Major Highlights of Recent Agreement?

- **Power Sector Cooperation:**
 - **Long-Term Power Trade Agreement:** India and Nepal signed a long-term Power Trade Agreement, targeting the import of **10,000 MW of electricity from Nepal in the coming years.**
- **Hydropower Projects:** Memoranda of Understanding (MoUs) were signed between **National Hydroelectric Power Corporation (NHPC), India and Vidyut Utpadan Company Ltd, Nepal** for the development of the **Phukot Karnali Hydroelectric Project and the Lower Arun Hydroelectric Project.**
 - **Also**, the two Prime Ministers expressed their commitment to achieving tangible and time-bound progress on the [Pancheshwar multipurpose project](#), which aims to enhance **cooperation in harnessing the shared water resources of the [Mahakali River.](#)**

Note: **Phukot Karnali Hydro Electric Project** aims to generate **480 MW of power using the flow from the [Karnali River](#)**, with an average annual generation of about 2448 GWh. It includes a high **RCC (Reinforced Concrete Cement) dam and an underground power house.**

- **Transport Development:**
 - **Transmission Line and Rail Link:** The groundbreaking ceremony for the **Gorakhpur-Bhutwal Transmission Line** and the inauguration of the **Indian Railway cargo train from Bathnaha to Nepal Customs Yard** highlighted the focus on enhancing connectivity between the two countries.
 - **Integrated Checkposts (ICPs):** ICPs were inaugurated at **Nepalgunj (Nepal) and Rupaidiha (India)**, promoting smoother cross-border trade and facilitating the movement of goods and people.
- **Other Initiatives:**
 - A plan to **extend South Asia's first cross-border petroleum pipeline from Motihari**

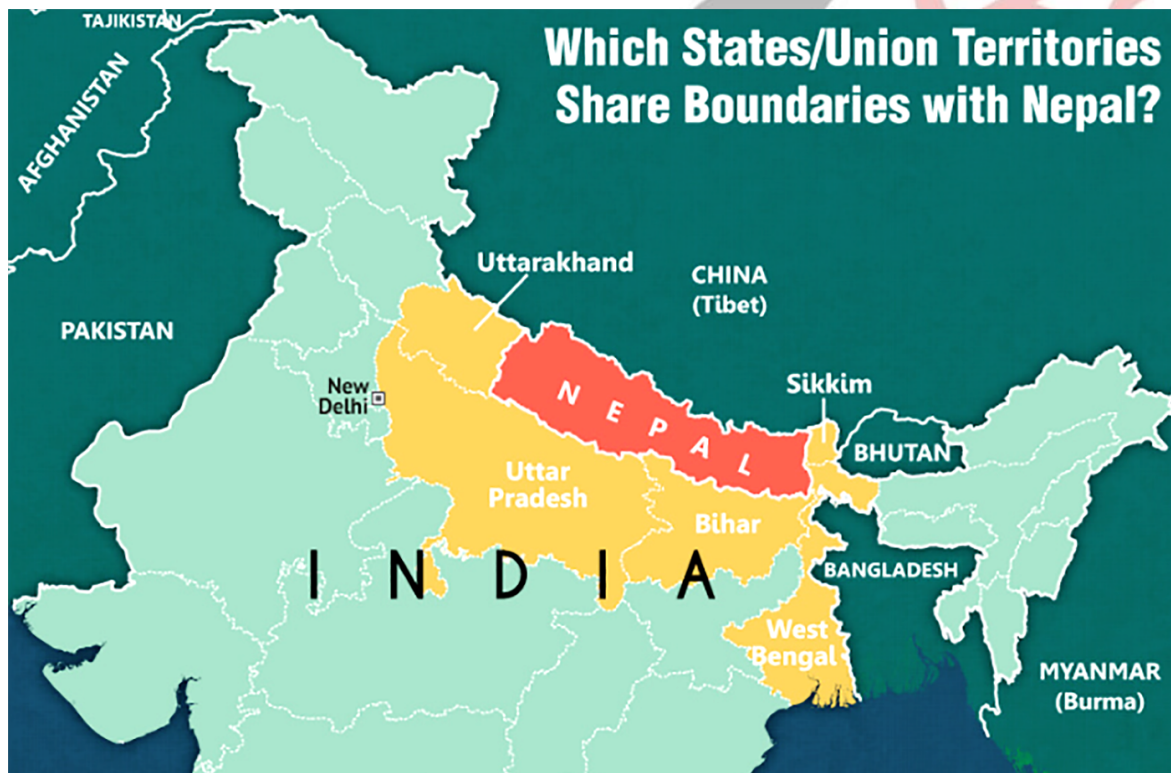
in India to Amlekhgunj in Nepal by another 69 km up to Chitwan in Nepal.

- Also, a second cross-border petroleum pipeline from Siliguri in India to Jhapa in eastern Nepal.
- A revised Treaty of Transit signed on June 1, 2023, that will give Nepal access to India's inland waterways.
 - This will enable Nepal to use Indian ports such as Haldia, Kolkata, Paradip and Visakhapatnam for its third-country trade.
 - It will also reduce transportation costs and time for Nepalese exporters and importers.
- India is also cooperating with Nepal to set up a [fertiliser plant](#), emphasising the importance of collaboration in the agricultural sector.

What are the Other Areas of Cooperation Between India and Nepal?

▪ About:

- As close neighbours, India and Nepal share unique ties of friendship and cooperation characterised 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 the special relations that exist between India and Nepal.
- Nepal shares a border of over 1850 km with five Indian states - Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand.
 - There has been a long tradition of free movement of people across the border.



▪ Defence Cooperation:

- India has been assisting the **Nepal Army (NA)** in its modernisation by supplying equipment and providing training.
- The 'Indo-Nepal Battalion-level **Joint Military Exercise Surya Kiran**' is conducted alternately in India and in Nepal.
 - Also, Currently, about **32,000 Gorkha Soldiers** from Nepal are serving in the Indian Army.

▪ Economic Cooperation:

- India is the **largest trading partner of Nepal**. Nepal is also India's 11th largest export destination.
 - In 2022-23, India exported goods worth **USD 8 billion to Nepal while its imports**

were at USD 840 million.

- Indian firms are among the largest investors in Nepal, accounting for **more than 30% of the total approved [foreign direct investments](#)**.
- **Cultural Cooperation:**
 - India and Nepal share similar ties in terms of Hinduism and [Buddhism](#) with **Buddha's birthplace Lumbini located in present day Nepal**.
 - The [Swami Vivekananda Centre for Indian Culture](#) was set up in Kathmandu in August 2007 to showcase the best of Indian culture.
 - The **Nepal-Bharat Library was founded in 1951 in Kathmandu**. It is regarded as the first foreign library in Nepal.
- **Humanitarian Assistance:**
 - India has provided **1.54 billion Nepalese Rupees (INR nearly 96 crore)** to Nepal as part of its commitment towards assistance and rehabilitation after the [2015 earthquake](#).

What are Recent Major Issues Related to India-Nepal Relations?

- **Boundary Dispute:** The boundary dispute is one of the contentious issues that has strained India-Nepal relations in recent years. The dispute mainly involves two segments:
 - **Kalapani-Limpiyadhura-Lipulekh trijunction area** in western Nepal and Susta area in southern Nepal.
 - Both countries claim these areas as part of their territory based on different historical maps and treaties.
 - The dispute flared up in **2020 when India inaugurated a road linking Dharchula in Uttarakhand with Lipulekh pass near the China border**, which Nepal objected to as a violation of its sovereignty.
 - Nepal then issued a new political map that shows **Kalapani-Limpiyadhura-Lipulekh as part of its territory**. India rejected this map as **"artificial enlargement" of Nepalese claims**.
- **China's Rising Footprints:**
 - The rise of [China's influence in Nepal](#) has raised concerns in India about its strategic interests in the region. China has increased its economic engagement with Nepal through projects under its [Belt and Road Initiative \(BRI\)](#) such as railways, highways, hydropower plants etc.
 - Rising Nepal and China cooperation can undermine **Nepal's distinction of a buffer state between India and China**.

Way Forward

- **Strengthening Digital Connectivity:** Emphasizing digital connectivity initiatives can provide an innovative way to engage with Nepal.
 - India can support the development of Nepal's digital infrastructure, **promote e-governance initiatives, and foster cross-border digital collaborations**. This can enhance connectivity, create economic opportunities, and strengthen bilateral relations.
- **Strategic Partnerships:** India should actively seek strategic partnerships with Nepal on regional and global platforms. By aligning their interests and jointly addressing common challenges, such as **climate change, disaster management, and regional security**, both countries can demonstrate their commitment to shared values and interests.
 - This will not **only counterbalance China's influence but also strengthen the regional stability**. Also, organizing joint cultural events, **film festivals, and wellness retreats to showcase India's rich heritage can** influence public opinion.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Consider the following pairs: (2016)

Community sometimes In the affairs of mentioned in the news

1. Kurd — Bangladesh

2. Madhesi — Nepal
3. Rohingya — Myanmar

Which of the pairs given above is/are correctly matched?

- (a) 1 and 2
- (b) 2 only
- (c) 2 and 3
- (d) 3 only

Ans: (c)

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