India-Nepal Relations

1) Introduction
   • India-Nepal relations derive their strength from shared history, common cultural ethos, and long years of close and intense people-to-people contacts facilitated by open borders.
   • The India-Nepal Treaty of Peace and Friendship of 1950 forms the bedrock of the relations that exist.

2) Strained Relations
   • Ties between the two countries are sliding backwards since 2015.
   • India's blockade at the border over its concerns about the rights of the Madhesi people saw bilateral relations take a severe hit.
   • Nepal raised the issue of India’s “trade blockade” at the UN in October 2015.
   • The Nepali earthquake in 2015 was the perfect time for China to make massive investments in infrastructure.
   • 2016 saw China as the top assistance provider to Nepal.

3) Recent Nepal Prime Minister visit to India
   • Nepalese prime minister Sher Bahadur Deuba and his Nepali Congress Party are perceived to be pro-India.
   • Deuba said that Nepal would never allow any anti-India activities to stem from its soil.
   • The visit was to enhance the partnership for overall development of Nepal and consolidate the relations between the two countries.
   • The two leaders jointly inaugurated the Kataiya-Kusaha and Raxaul-Parwanipur cross border power transmission lines.
   • Eight MoUs in various fields, including Housing grant, prevention of drugs, post-earthquake reconstruction packages in health and education sectors were signed.

4) Concerns / Challenges
   • New Delhi’s demand for adequate political representation to the Madhesi living in Nepal’s Terai region did not go well with Nepal’s complex and diverse society.
   • Any disturbance in the Terai could affect peace and stability in Bihar and UP, given the two states share long borders with Nepal and deep cultural and familial ties with the Madhesis.
   • Each time India pushes for the concerns of Madhesis to be addressed, it finds Nepal pulling out the China card.
   • New Delhi is worried about the expanding Chinese footprint in Nepal.
   • New Delhi’s abysmal track record in project implementation in Nepal which has contributed to the trust deficit.
   • In the Pancheshwar multipurpose project, the two sides failing to finalise a Detailed Project Report.
   • China’s activities have been steadily expanding in Nepal after Kathmandu’s support for OBOR materialized.
5) **Way Forward**

- India must focus on connectivity as a leverage to increase its strategic influence in the neighbourhood.
- India must counter growing Chinese influence in Nepal
- India must make swift and effective implementation of infrastructure and development projects in Nepal
- India must continue with post-earthquake reconstruction assistance
- This "aid diplomacy" will help India to reduce the ‘trust deficit’ which widened after the 2015 blockade.
- Finalise the Detailed Project Report of the the Pancheshwar multipurpose project
- India must assure swift completion of the two cross-border rail connectivity projects: the Jayanagar-Bijalpur-Bardibas and the Jogbani-Biratnagar rail-links.
- Other rail links and road connectivity projects too need to be executed swiftly, else China will eagerly step in with aid and infrastructure.
- Deepen and strengthen cooperation in areas like trade, economic, investments, water resources, energy cooperation, security, efforts, culture, education and people-to-people ties.
- A permanent bilateral mechanism is required to save the plains population of Nepal suffering from massive floods that have also affected downstream areas across the border.
- India wants Nepalese government “to take all sections of society on board in the Constitution implementation process and in establishing Nepal as a federal, democratic republic”.

6) **Conclusion**

- For mutually beneficial and sustainable partnership, both countries will have to take a deep look at history to avoid past mistakes.
- India must realise the competition it faces from the China in Nepal and it can no longer rely merely on its historical, cultural and people-to-people ties to earn goodwill.