

India - Nepal Bilateral Ties

What is the issue?

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- The new Nepali PM “Sharma Oli” has visited India in his 1st foreign trip, which is now a longstanding tradition for Nepali PMs.

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- While Mr. Oli had a run in with India during his previous stint at the helm, he has currently displayed pragmatism by overlooking the bitterness of the past.

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What is the synopsis of Nepal’s chequered political history?

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- Nepal’s political transition began nearly three decades ago when it adopted a new constitution in 1990 which ushered in multiparty democratic monarchy.

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- But the rise of a violent Maoist insurgency that claimed 15,000 lives had eroded stability and the small democratic gains made.

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- Reconciliation with the Maoists stated in 2005, and a subsequent multi-party mass public uprising also saw the abolishing of the 250 year old monarchy.

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- Following this, a constituent assembly was elected for drafting the statutes for the new republic, but the process proved to be long and turbulent.

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- This seven-year exercise finally produced a new constitution in 2015 and several elections were held 2017 and early 2018.

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- Significantly, the local body elections were held after a gap of 20 years as political instability had hindered any chance of local governance.

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How did the recent election results fare?

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- Nepal has seen 25 PM in the past 27 years due to multiple coalition troubles and other political nefarious political bickering.
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- But in what could be a break from this trend, Mr. Oli's UML party seems to have won big this time, which promises the much desired political stability.
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- In the parliament, the UML alliance has secured a convincing majority of 174/275 in lower house and the alliance has a 42/59 in the upper house.
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- Additioanlly, the UML had secured 294 of the 753 local bodies and most of the provinces also have UML CMs.
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What are the implications of Mr. Oli's rise for India?

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- Previously, when Mr. Oli had began his 1st term as PM (that lasted just 9 months), the Madhesi agitations were at its peak.
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- Significantly, Madhesis had protested against certain clauses in the new constitution, and India was accused of tacitly backing the agitators.
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- All this created much bitterness between India and Nepal and Mr. Oli was openly reaching out to China as a counter-balance to India.
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- Even in Mr. Oli's election campaigns, there was a distinguishable anti-India Nepali nationalist tinge, which added to his popular appeal.
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- But after the comfortable the win that has secured his position domestically, Mr. Oli has been visibly shrewd in recognizing India's criticality.
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- India too had realised the need to befriend the new leader to prevent a pro-China tilt in Nepal's polity and had proactively reached out to him.
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- Consequently, Mr Oli has began his 2nd turn with a positive outreach to India and is probably signalling his intention to look beyond the past tensions.
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- As a result of all this back-track reconciliastions, his recent visit was smooth,

but a sustained engagement by both sides is required to restore complete trust.

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What were the specifics that emerged out of the current visit?

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- A short joint statement was issued which stressed the need for strengthening relations on the basis of “equality, mutual trust, and respect”.

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- Multiple contentious issues like “a review of 1950 Treaty, recruitment of Nepali nationals in the Indian Army” did not find mention.

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- Also, resolving the fallout of India’s demonetisation exercise, that devalued a large trove of Nepali Central Bank’s Indian currency reserves wasn’t remarked.

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- Madhesh issues, delays in hydel projects like Pancheshwar, and resumption of SAARC was also missed out.

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- But despite all these, this seems to be progress from Mr. Oli’s Feb 2016 visit, when there was no Joint Statement at all.

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What are the important bilateral projects between India and Nepal?

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- For long, India has been Nepal’s biggest development partner, but the project implementation pace has been bad and there were also multiple cost overruns.

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- While both India and Nepal have a shared responsibility in this tardy work, the political instability in Nepal had worsened the shabby track-record.

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- **Hydel Projects** - Despite its humongous hydro-electric potential, Nepal’s installed capacity is less than 700 MW and it imports power from India.

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- Over 60% of the Ganga waters come from Nepal’s rivers namely - Sarda, Ghagar, Rapti, Gandak, Bagmati, Kamala, Kosi and Mechi.

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- Misrepresentations have delayed India collaborated hydel projects for long, and it's imperative to resolve these issues and push these projects ahead.
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- **ICP** - The proposal for 4 Integrated Check Posts (ICP) on the India-Nepal border to facilitate movement of goods, and people was mooted 15 years ago.
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- An MOU for the same was signed in 2005 but multiple administrative and political constrains delayed construction and costs overshoot by 400%.
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- As a result, only the Raxaul-Birgunj ICP has been completed and was inaugurated last week.
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- **Petroleum Pipeline** - Motihari-Amlekhgunj cross-border pipeline has now been started after almost 15 years since the MOU was signed.
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- Now, for the work to be completed within the planned 30 months, a brisk paced work and proper monitoring is needed.
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What is the way ahead?

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- Cultural and historical ties between the people in both countries is a big positive for in the relationship, but there are other aspects too.
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- Importantly, just like for India, globalisation offeres multiple opportunities for Nepal too and it is only logical that Nepali leaders aspire to capitalise on them.
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- In this context, China's "Belt and Road Initiative" (BRI) currently appears attractive for the Nepali dispensation, despite some serious concerns.
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- India would do good to recognize these aspirations and desires while simultaneously enhancing co-operation with our land-locked neighbour.
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- Firstly, one should ensure that the ongoing projects like - border check-posts, rail connectivity, and Terai's postal road network are executed to perfection.
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Source: The Hindu

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