

## **NEPAL PRIME MINISTER'S VISIT TO NEW DELHI (AUGUST 2009)**

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Nepal's Prime Minister, Madhav Kumar Nepal, embarked upon a five-day visit to New Delhi with his 64-member team on August 18, 2009<sup>1</sup> on the invitation of his Indian counterpart, Manmohan Singh. He was received by Indian State Minister for External Affairs at the Indira Gandhi International Airport, New Delhi. Nepal was accompanied by his wife Gayatri Nepal, cabinet ministers, including those in charge of finance and energy, high-level government officers, businessmen and journalists.

During the visit, he held meetings with Prime Minister Manmohan Singh, President Pratibha Patil, Vice President Hamid Ansari, UPA Chairperson Sonia Gandhi and other senior leaders and ministers.

The visit resulted in the Indian government's pledge of assistance of Rs. 32 billion<sup>2</sup> for Nepal. India decided to sanction over Rs. 660 crore to fund the first phase of the massive Terai road project. Over 1,300 kms of roads would facilitate connectivity within Nepal's Terai region, and parts of the Indian side would be built in three phases. It was also decided that India would give Rs. 320 crore for setting up a police academy, apart from Rs. 800 crore for integrated check-posts along the India-Nepal border. India also agreed to release another Rs. 680 crore for upgrading the rail link and building Nepal's rail network.<sup>3</sup>

Both the countries also reached a new trade treaty and an agreement to control unauthorised trade, particularly from a third country. The trade treaty aims at enlarging the scope of the existing institutional framework under which India gives duty-free access to its market to goods manufactured in Nepal. The agreements initialled by Commerce Secretary Rahul Khullar and Nepalese Secretary of Commerce and supplies Purushottam Ojha would be formally signed some time later.<sup>4</sup> At present, India accounts for 70 per cent of Nepal's external trade. Trade between the two countries stood at \$1.9 billion in 2008-2009 and is expected to reach \$ 3 billion this fiscal year.<sup>5</sup> India also agreed to allow Vishakhapatnum port for the movement of transit traffic to and from Nepal and promised to consider favourably Nepal's request for using an additional port on the west coast.<sup>6</sup> Furthermore, need for additional logistics and arms for Janapath and armed Police Force and import of non-lethal materials for the Nepal Army also came under discussion.

India and Nepal also agreed to speed up work on the Pancheshwor multipurpose hydroelectricity project. Prime Minister Nepal and his Indian counterpart Manmohan Singh directed the joint ministerial commission on water resource and the joint committee on water resources to focus on the finalisation

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of terms and references for the Pancheshwor Development Authority and its detailed project report. According to a recent survey, the project can generate over 7,000 MW of electricity and earn Nepal about Rs. 45.80 billion annually, besides irrigating about 96 thousand hectares in Nepal.<sup>7</sup>

It was also decided that the home secretaries of the two countries would meet soon to discuss issues regarding border security and fake currency, and that experts would be sent from India to discuss cleaning up the Bagmati River as requested by Nepal.<sup>8</sup> Nepal also plans to generate 25,000 MW of hydroelectricity over the next 20 years, and both the countries agreed to expedite the construction of the Dhalkebar-Muzaffarpur 400 KV cross-border transmission line as also to develop the modalities for that.

Since almost 43 per cent of foreign investment received by Nepal comes from India, Prime Minister Nepal assured Indian businessmen that his government would take every possible step to enforce a security plan to protect investment and uninterrupted manufacturing operations, besides providing a “feel-at-home” environment for Indian entrepreneurs. He went on to identify hydropower, roads, bridges, agro-processing and financial services as the areas where Nepal would welcome Indian investment. It was also decided that the two foreign secretaries would sit together and review and redraft the 1950 India-Nepal friendship treaty.

Although the visit was termed highly “successful and fruitful” by Nepal’s ruling CPN(UML), former foreign minister and chairman of the Madheshi Janadhikar Forum, Upendra Yadav, criticised it in that it had failed to accomplish tasks of national interests as no solid proposal was tabled that would decrease the trade deficit with India. He also said that Prime Minister Nepal had only given continuity to the things already finalised by previous governments and that no talks regarding the maximum exploitation of Nepal’s water resources had taken place.<sup>9</sup> Similarly, Maoist Chairman Pushpa Kamal Dahal also termed the visit a failure and said that the complete indifference of the mainstream Indian media to the visit of Nepali Prime Minister had been a great humiliation for the country.<sup>10</sup>

However, apart from all the agreements and commitments, Prime Minister Nepal’s visit to India is being generally seen in the context of seeking New Delhi’s support to keep the three-month-old coalition government intact. Political instability continues to plague the country and has endangered the peace process. The shaky political situation in Nepal can be gauged by the fact that Nepal’s Foreign Minister Sujata Koirala, a member of the Nepali Congress which is the key coalition partner, dropped out of the visit at the last moment because she had not been made deputy prime minister.

In the current scenario, it seems unlikely that the coalition government would be able to write a new Constitution by mid-2010, thereby ending the peace process. Nepal’s visit was essentially to seek India’s support to convince the Maoists to join the coalition government and other coalition parties to rise above party interest and ensure the smooth functioning of the government. He also

expected India to use its influence and support to consolidate the peace process and remove all hurdles in the way of moving Nepal further.

At the same time, it is being said that the Prime Minister Nepal had also met and requested Communist Party of India (Marxist) Polit Bureau member and MP Mr. Sitaram Yechury, who played a major role in bringing together a seven-party alliance to work out a road map for restoration of democracy in Nepal, to visit Nepal and initiate conciliatory talks with the former Prime Minister, Pushpa Kumar Dahal.

The Indian influence on Nepal cannot be denied, and due to same reason it is believed to be India's duty to help Nepal go through its transition from monarchy to a democratic republic. Undue Indian interference would, however, only lead to more chaos. In this regard, the allegation levelled by the former Maoist prime minister that he had lost Indian support for his looking beyond India and using China to balance India off, is noteworthy. Breaking the tradition of "visit India first", Maoist Prime Minister Prachanda had preferred to visit China first.

India never expected that the Maoists would emerge as the largest party in the Constituent Assembly elections of April 2008. India was uncomfortable with the Maoist government and its policy of seeking "equal ties" with Beijing as it was seen by the Indian media and analysts as a diplomatic code for an end to the very "special relationship" between India and Nepal. The Indians perceived Dahal's visit to China as China's rise in India's periphery and subcontinent's shifting balance of power in China's favour. India was also not very happy with the Maoists' continuous insistence on integrating the Maoist combatants into the Nepal army. That was evident in the Indian insistence that the "professional character" of the Nepal Army needs to be preserved.<sup>11</sup>

Thus, India wanted to see an end to the Maoist rule in Nepal and the opportunity was provided when Dahal unilaterally decided to sack the Army Chief over the integration issue. It is also believed that the entire crisis of sacking the Army Chief was actually orchestrated by India.<sup>12</sup> Integration of Maoist cadres into the Nepal army was an integral part of the 2006 peace accord, and by resisting this integration; India tried to prolong the existence of the People's Liberation Army as a standalone force.

It is also being argued by some Nepali analysts that India wants to keep a tab on everything so that it controls not only the process but also the end result of any important social or political event. It is also widely believed in Nepal that those wanted by Nepal's law find sanctuary in India, and armed gangs from Terai hold their clandestine meetings in Indian cities. In some cases, Indian Intelligence officials have also been participating in such meetings, and allegedly encouraging these groups to come together for the Madhesi cause.<sup>13</sup> Such blatant interference has already generated anti-India feelings not only in Nepal but also in other countries.

It is also interesting to note that Prime Minister Madhv Kumar Nepal is the third Nepalese prime minister in the past three years to have visited New Delhi, whereas Manmohan Singh in his last six years as prime minister of India has not visited Nepal even once. As a matter of fact, only three Indian prime ministers; Chandrashekhar, P. V. Narasimha Rao and I. K. Gujral; have made visits to Nepal, apart from the head of state visit by President K.R. Narayanan in 1998, as compared to almost annual visits by Nepali prime ministers and (earlier) kings as well to New Delhi. Some Indian strategists have criticised their government in this regard, and in the words of a former diplomat, "It is a combination of lopsided foreign policy priority, false notions of grandeur and instincts of hegemony that colour our attitudes to our neighbour."<sup>14</sup>

India must treat all its neighbours in a larger context. Poised to become the third largest economy in the world and having the dream of becoming a superpower in the region, India must realise and understand that only a peaceful neighbourhood would help in furthering these goals. Instability in the region would also severely hamper India's pace to progress and development. Besides Indian support, it is also imperative for the Nepali politicians that they rise above personal and political gains and work together for the larger interest of the country.

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