

Prachanda-led Government-8: Prachanda's Second State Visit To India Siddhi B Ranjitkar

It has been the tradition that every new prime minister of Nepal visits India and China. Only a few prime ministers have broken this tradition. So, Prime Minister Prachanda is first visiting India, and probably then China. He has consulted with former prime ministers, leaders of political parties, experts on various subject matters he needs to talk to the Indian officials during his stay in India. Nepalese media have been full of directly or indirectly providing him with necessary inputs probably more than enough for him to carry with. Now, let us discuss what he needs to talk with the Indian establishments about the matters that interest Nepalese very much.

Prime Minister Prachanda invited former prime ministers for consultations. Former prime ministers such as Sher Bahadur Deuba, Madhav Nepal, Dr Baburam Bhattarai, and Lokendra Bahadur Chanda accepted the invitation and went to the prime minister's official residence to talk about the matters that concerned Nepal very much.

After the meeting speaking to the reporters, Deuba, Nepal, and Bhattarai have said to the reporters that they have suggested the prime minister as follow, the news on therisingnepal.org.np stated on September 14, 2016:

NC President Deuba said that he suggested the PM for taking the bilateral relations to a new height in the present changing context. He also stressed the need for the effective enforcement of the bilateral agreements.

CPN-UML leader Nepal said that his party had already given suggestions to the prime minister but the PM's visit should be for boosting up the dignity of Nepali people, and enforcing the bilateral agreements on the transport and energy.

Naya Shakti Party Coordinator Dr Bhattarai said that he had already given a 10-point suggestion in writing to the prime minister.

The two other former prime ministers such as Jhalanath Khanal and KP Oli preferred to refrain from even going to the prime minister not to mention giving any advices. So, they did not show up at the prime minister's residence. Probably, they must have thought that they have already submitted the comprehensive memo to Prime Minister Prachanda on this matter so why they need to go again.

Khanal and Oli have been the prime ministers, and they have the opportunity of hanging their pictures along with other former prime ministers at the official gallery in the Singha Durbar Secretariat thanks to Prachanda. Khanal had been the prime minister for six months only. He did neither visit India nor China. Practically, he took office only to get his picture hanged along with other prime ministers. Oli managed to remain in office for nine months: three month more than Khanal. Oli tried every possible trick to prolong his term of office but he could not, as the coalition of NC, Maoist-Center, and the Federal Democratic Alliance forced him out of office.

Khanal and Oli have a good political chemistry that is why both are for installing the statue of the atrocious Prithvi Narayan Shah that has set the despotic rule of the Shah dynasty that ended in 2008. Recently, they have been at the Chandragiji Hill, and seeing the majestic view of the Kathmandu Valley, Oli commented that Prithvi Shah won the valley because of its beauty so, he would ask the government to install the Prithvi's statue at this place disregarding how his statement would hurt the glorious Nepalese people, as mentioning

Prithvi alone reminded the atrocities Prithvi had committed, and the tyrannical rule of his descendants for more than two and a half centuries.

Then, Prachanda called a meeting of all political parties representing in the parliament for advices but except for Madhav Nepal of CPN-UML, other top leaders did not attend the meeting. Probably, they have had sufficient talks with Prachanda about his India visit. Anyway, Prachanda has the chance of talking to the leaders of small parties about the things he has to raise in India.

On September 14, 2016, speaking at the parliament for informing the lawmakers on his India visit, Prachanda has said that he has no any new agenda rather he will focus on enforcing the previous agreements on the postal roads, energy, and trade, and ask for the energy development, and for endorsing the Panchesvor multi-purpose project, and he will talk about the assistance for the reconstruction of the quake-destroyed structures, the use of the Indian soft loan for the infrastructure development, and an amendment to the agreement on the railway transport of the goods from the Vishakapatnam seaport in India to the Nepal border, the news in "gorkhapatra" of September 15, 2016 stated.

Prime Minister Prachanda is taking with him a 116-member team: at least 50 State officials including Minister for Foreign Affairs Prakash Sharan Mahat, Minister for Physical Infrastructure and Transport Ramesh Lekhak, and a number of lawmakers, 30 members of the business community, and 30 reporters. That seems a large entourage for a small country of 30 millions but that is what Prachanda is carrying with him. The government has said that the State will pay for the expenses of the 42 officials others have to fend for themselves.

The Indian side also has been making preparations for welcoming the Nepalese dignitary accompanied by so many officials, members of the business community and reporters. Most probably, they would focus on enforcing the pending large hydropower projects that have been awarded to the Indian companies, the news in the Nepalese media stated.

Prime Minister Prachanda has repeatedly said that he would not do anything that would go against the interest of Nepal; he would always safeguard the sovereignty of the Nepalese people; and he would not signed off any unequal agreements while he would be in India for a State visit.

Some of the political leaders have suggested Prime Minister Prachanda that he needs to focus his attention on implementing the agreements the two countries have signed so far. A new report has brought to the surface the fact that Prime Minister Prachanda's visit in his previous incarnation as a prime minister in 2008 had signed off a number of agreements but none of them was enforced. Such things have been the regular practices of the Nepalese and Indian officials, too, as an enforcement of agreements needs the strong will of both sides.

Some experts have warned Prime Minister Prachanda against trying to enforce any unequal project agreements particularly the hydropower projects, and the highly hyped Kathmandu-Nizgad fast-track highway. Anybody listening to the 'antar-sambad' of the Radio Nepal morning program on September 14, 2016 would understand that the hydropower projects and the Kathmandu-Nizgad fast-track highway have been awarded to the bankrupt Indian companies at the most unequal terms that would only enrich those bankrupt companies at the cost of Nepalese. Most of the political leaders, and lobbyists have been putting pressure on the government for implementing those projects for obvious reasons than putting pressure on the government to implement the projects that has been signed with the Chinese companies called 'Three Gorges' despite it is being very beneficial to Nepal.

If we take a quick look at the history of the Nepal-India project agreements, we will find that all the hydro projects had gone in favor of India. In 1920, the then 'Shree tin sarkar' the title given to the then hereditary Prime Minister Chandra Shumsher signed an agreement with the then East India Company on building a dam on the Mahakali River. The company government built a dam called 'Sharada Barrage' on the Mahakali River right on the border between Nepal and India only to benefit the down stream in India disregarding the upstream in Nepal. That was not the first deliberate mistake the then despotic Nepalese rulers committed, then in the mid 1950s the then Prime Minister Matrika Prasad Koirala of King Tribhuvan signed an agreement on Koshi and Gandaki Rivers with India entirely for the benefits of India. Tribhuvan must have let his prime minister give the Nepalese natural resources to India as the reward for saving his throne in Nepal. Indian Prime Minister Jawaharlal Nehru shamelessly built the Koshi dam right on the border inundating the large agricultural land in Nepal for irrigating in India. Thereafter, the Nepalese political parties went on awarding the hydro projects to the Indian companies for their benefits; mind it, not for the benefits of Nepalese. So, Nepalese people have strongly told Prime Minister Prachanda not to agree on enforcing any such projects.

One project Prime Minister Prachanda needs to insist on his Indian counterpart in New Delhi for implementation is the agricultural roads also called postal roads in Terai. These roads are for improving the agriculture in Terai, as these roads will connect the farms with the nearest markets. These roads have been languishing for so many years.

CPN-UML leaders particularly former Prime Minister KP Oli and his former deputy Bhim Rawal have warned Prime Minister Prachanda against talking with Indian Prime Minister Narendra Modi about the amendment to the Constitution. Some Madheshi leaders also have been telling the public that the amendment to the Constitution does not link with the visit of Prime Minister Prachanda to India forgetting that they had gone to the former Bihar Chief Minister Laloo Prasad Yadav asking for assistance to continue their movement in Nepal; and also forgetting that they had the support of Indian Prime Minister Modi for blocking the border entry points to choke the Nepalese people with the shortage of fuels and other supplies.

Prime Minister Prachanda has been saying that his visit to India is essentially for warming up the relations with India former Prime Minister Oli had gotten chilly. However, his colleagues and KP Oli have been saying that he has already put back the broken relations with India even though he could not manage to have a joint statement with his counterpart Modi at the end of his India visit in 2015 clearly indicating that the relations with India have hardly improved.

Bilateral relations with any country would not improve with the efforts of one country alone; both countries need to make reciprocal efforts on improving the bilateral relations.

Indian Prime Minister Narendra Modi had tried to improve the bilateral relations with the SAARC (South Asian Association for Regional Cooperation) countries inviting the head of government of all those countries to his inaugural ceremony. Thereafter, he has visited those countries for improving the relations but he has not been successful to do so except for Bangladesh.

For example, Prime Minister Modi has visited Pakistan repeatedly and has had talks with the prime minister of Pakistan Nawaz Shariff several times but the current relations have been deteriorated so much that both countries have been charging each other with supporting terrorists to attack.

Similarly, Prime Minister Modi has shown so much of good will to the then Prime Minister KP Oli to improve the relation with Nepal but Oli had been so adamant that he would not consider the demands of Madheshi people positively for making the Nepalese Constitution inclusive Prime Minister Modi had given support for. Both Prime Minister Modi and Prime Minister Oli had to break the tradition of issuing a joint statement at the end of the Oli's India visit.

Then, Prime Minister Modi took the issue of Nepalese Constitution to the EU and UK. Both EU and UK issued the statement saying the Nepalese Constitution needed to be an inclusive infuriating Prime Minister Oli. Then Oli went too far saying the Delhi people had been playing a witch doll to manipulate him in Nepal, and he let the relations with India get worse. Oli recalled the Nepalese ambassador from India, and cancelled the visit of the Nepalese president to India and so on before getting himself forced out of the prime ministerial office.

Prime Minister Prachanda also has said that he will invite Indian Prime Minister Narendra Modi to visit Janakpur, Lumbini and Muktinath: the visit cancelled during the diplomatic row at the time of former Prime Minister KP Oli. Janakpur and Muktinath are the Hindu holy places whereas Lumbini is the birthplace of Lord Buddha. Prime Minister Modi's visit to Lumbini will neutralize the Indian wrong publicity of Buddha was born in India. Prachanda also will pave the way for the visit of Indian president to Nepal and the Nepalese president to India. Former Prime Minister KP Oli had scraped those friendly visits at the height of broken relations between Nepal and India.

Prime Minister Prachanda has the plan on visiting different places in India rather he needs to engage in the activities for bringing as many Indian pilgrims and regular tourists to Nepal. He needs to publicize among the Indian Hindus that Dolesvore Mahadev in Bhaktapur is the head of Kedarnath, as the super Hindu guru Sankaracharya said when he visited Nepal a few years ago. So, Hindus should not miss visiting Lord Dolesvore Mahadev in Nepal. Nepal has also Muktinath, Halse Mahadev, Pathivara Bhagavati, Palanchok Bhagavati, and Buddhanilkantha: Large stone Vishnu lying on the nagas (snakes) braided together to make a bed to name a few. Hindus need to visit those places for earning merits, and making sure that their wishes are met.

Prime Minister Prachanda also needs to work on bringing regular Indian tourists to Nepal. Indian holidaymakers might not like to visit the Chitwan safari but they surely would like to enjoy the majestic views of the snow-capped Himalaya Mountains. Most of them might combined their holiday making with the religious trips to places such as Muktinath, Halse Mahadev, Pathivara Bhagavati, and Palanchok Bhagavati from where they could enjoy looking at the Himalaya Mountains.

Another matter Prachanda needs to remind the Indian officials that the Nepalese Gurkhas have repeatedly shed their blood for the defense of India. Gurkhas were at the front when India went to the war China imposed on her in 1962; they also were in front when India fought for the people of the then East Pakistan in the late 1971, and ended in early 1972 creating the current Bangladesh.

When Indian Prime Minister Indira Gandhi visited Nepal after the war with Pakistan in 1972 she went to Pokhara to visit the loved ones of those Gurkhas killed in the battle. At the mass meeting, the orphans, widows, parents, sisters and brothers those Gurkhas left behind en mass cried, and made the environment so emotional, and led even Prime Minister Indira Gandhi to cry with them.

The next important thing Prachanda needs to remind the Indian establishments that Nepal and India had had two-way traffic in the past, and with the break for more than two and a half centuries now the traffic has returned to. As Shankaracharya has said that Dolesvora Mahadev is the head of Kedarnath. Lord Mahadev in other word Shiva is from the Himalaya. Lord Vishnu has come from the India Ocean. Some Nepalese yoga gurus have said that Yoga was originated in Nepal. Buddha was born in Nepal. Sita was born in Nepal, too. Past Shankaracharyas used to have open hot discussions with the Nepalese Tantrik Vajracharya priests.

Then, came the Prithvi Narayan Shah that closed the border, and then the autocratic Rana prime ministers even tightened the border and stopped every sorts of spiritual, economic and social development in Nepal making Nepalese needed to go to India for anything to learn. After 70 years of the freedom from the tyrannical Rana rulers and the end of the autocratic Shah-dynastic rule in 2008, again the two-way traffic started off working. As a result, Indian students have been studying medical sciences in the Nepalese colleges, many Indian plumbers, carpenters, bricklayers, electricians, and fruits/vegetable vendors are working in Nepal to meet the deficit of skill labors caused by the massive migration of Nepalese labors to the Gulf countries, Malaysia, South Korea and so on.

Prime Minister Prachanda landed in New Delhi on September 15, 2016. Indian Foreign Minister Sushma Swaraj welcomed Prime Minister Prachanda at the Delhi airport, and accommodated Prachanda and his high officials at the Rastrapati Bhavan Guest House. On the evening of the day, Prachanda attend the reception at the Nepalese embassy in New Delhi, and interacted with the Nepalese students and other Nepalese people.

On September 16, 2016, Prachanda received the State reception at the Rastrapati Bhavan, then he went to lay a wreath at the 'smadhi': a memorial to Mahatma Gandhi at Rajghat, and then of course, the official meetings with his counterpart and the president.

Then, Prime Minister Prachanda and his Indian counterpart Narendra Modi held a joint press statement. Before speaking to the reporters, three Nepalese officials and three Indian officials one after another displayed the agreements and swapped them on camera.

Whatever might be those agreements they would make sense only when they are enforced. Smart agreements would not have any value if they were to remain not enforced. Former Prime Minister Oli also had signed off a number of agreements but the news on their implement has been scant. However, if we take a look at the agreement reached with China, then we see the enforcement of those agreements if the Nepalese side were to wish for. For example, the construction of the Pokhara regional international airport has been moving fast as the Chinese have been working there. That is only a single example.

Neither Prime minister Prachanda nor his counterpart Modi gave even a slight hint at the more-than-five-month blockade India had imposed making suffer 30 million Nepalese for their no faults. If Modi were to be gentlemanly he would have surely mentioned it and even might have apologized to the Nepalese people for the sufferings caused by his unwise and failed actions on imposing blockade on Nepal. Modi would have been a great man if he had told in the joint public statement that the most unfortunate blockade would never happen again.

So, whatever treaty, agreements, and understandings have been or are unequal or one-sided, it is not the recent development but it was the mindset the Rana had developed believing their unjust rule could be continued pleasing the company government in India. Former King Tribhuvan strengthened it, as Jawaharlal Nehru turned the power from the Rana prime minister to him bypassing the Nepali Congress leaders that had fought shedding

the blood of so many brave Nepalese. That was a grand mistake of the then political leader BP Koirala that unilaterally decided to accept the tripartite agreement transforming the power from the Rana Prime Minister Mohan Shumsher to Tribhuvan in 1951. Tribhuvan came back from New Delhi triumphantly with so many Indian advisers and so many Indian civil servants that worked for Tribhuvan in Nepal for strengthening the kingly rule than the democratic institution and setup.

Now, concerning the amendment to the Nepalese Constitution, Prachanda came to power promising to amend the Constitution to make it acceptable to all the Nepalese folks. So, practically, Modi needed not to repeat it. Prachanda also said before going to India that he would not talk about it with Modi. CPN-UML leaders also had warned Prachanda of not making a mistake of talking about the amendment to the Constitution, as it was the internal matter of Nepal. Obviously, Modi simply wished for an inclusive Constitution and smooth implementation of it. However, CPN-UML has been standing as a challenging opposition to the amendment to the Constitution, as the CPN-UML leaders want to rule the people not serve.

Speaking to the Indian businesspersons, Prachanda has said that the Nepalese laws treat Indian investors on a par with the Nepalese investors ignoring the Nepalese laws give special privileges to the foreign investors. So, Indian investors will be well off following the foreign investment act rather than the so many laws and rules and regulations that Nepalese investors need to follow. The investment failure in Nepal is due to the environment unfriendly to investors and very friendly to smugglers and black marketers that have continued from the previous regime called panchayat the former King Mahendra had introduced in 1962.

Speaking to the anchor of the Radio Nepal morning program called 'antar-sambad' on September 18, 2016, former Foreign Minister Prakash Chandra Lohani questioned why Prachanda did not ask his counterpart Modi to set up a laboratory at the border area to test the agricultural products Nepal exports to India. Recently, India stopped the trucks carrying Nepalese ginger at the border point for 15 days causing distress to the farmers and exporters. Nepal has been asking India to set up a laboratory for the last 20 years, Lohani said. Such stoppage of trucks happens as and when India wants to send some message to Nepal. Lohani also commented that nothing-serious dialogue has been between Prachanda and his counterpart on implementing the Panchesvor Multi-purpose projects, as the Indian side drags it believing this project is entirely for the benefit of Nepal.

Some bogus reporters and equally unreliable newspapers both on prints and online have been publishing news that the relations between Nepal and China have been deteriorating because the tip of the Nepalese diplomatic balance has tilted to the south after Prachanda took over from Oli. Some of the reporters even ventured to report that the visit of Chinese President Xi Jinping has been postponed, as the Chinese officials have been uneasy with Nepal for not seriously preparing for the Xi's visit, and not seriously taking up the agreements reached with China when former Prime Minister KP Oli visited China in early 2016. The Nepalese foreign ministry has refuted such newspaper reports.

These reporters have naively reported such news disregarding the wish of the Chinese top officials has been for Nepal improving the relations with India, and they want to see Nepal being a bridge between China and India. They want to connect China with India by roads and railways through Nepal. Whatever the political differences China and India might have, Chinese officials want to increase the volume of business with India. China has considerably increased its investment in India, and its trade surplus with India has been quite significant.

If Nepal could be a bridge between China and India as the Chinese high officials envisaged then the dependency of Nepal on one single country for connecting the outside world would automatically disappear.

However, the reality is if India could close the entries to Nepal why not China, too. China has not opened the Sindhupalchok Tatopai border entry to Nepal, yet that has been closed after the earthquake in 2015. China has an excuse to close the entry point after finding the Nepalese have engaged in Tibetans trafficking to India.

China wants to win the world through its economic development creating a super economic power. The author of "Made in China: G20 and Its Geo-economic Significance" quoted President Xi Jinping, "The outdated Cold War mentality should be discarded. We urgently need to develop an inclusive, comprehensive, cooperative and sustainable new security concept." (The article was published in online newspaper titled "Transcend Media Service" of September 12-18, 2016).

So, Chinese don't want to get the relations with Nepal and India worse rather they want to do everything possible to improve their business and trade with all the countries in the world. Naturally, they don't want to get the relations with any country unfavorable rather want to improve with all countries, as they prepare to be the world economic power.

China has been doing everything possible to take its super fast trains to Germany and France via east European countries and Central Asia to the west, and to Thailand, Laos, and Cambodia to the east, and to India via Nepal to the south for winning the world economic superiority. China has already the agreement with Pakistan to this sort of the railway link.

"The Chinese economy is five times bigger than India's, Chinese companies are proficient at building infrastructure quickly (especially when compared to slothful Indian public sector companies), and China today is pushing its Silk Road Economic Belt and Maritime Silk Road of the 21st Century projects of transnational connectivity as its strategy to reverse slowing Chinese growth. This means that countries such as Nepal and Pakistan are hoping to benefit from Chinese investments and infrastructure projects. Given this strategic environment, opposing Chinese projects in the neighborhood won't get New Delhi anywhere. Instead, a better approach would be to facilitate Chinese investments in India and use this to attain India's own strategic objectives," the news on Timesofindia.indiatimes.com stated on September 16, 2016.

Under the arrangement discussed, the source said, "China would not officially lay claim to several Indian territories, such as Sikkim, Arunachal Pradesh and parts of Jammu and Kashmir State." In exchange, "after the death of the current Dalai Lama, the Indian government would offer Tibetan exiles living in India citizenship — and literally stop new exiles coming through Nepal to India. The Tibetan government-in-exile would also have to go." (Source: India Strike Deal With China On Tibet By: René Muller)

Both China and India have been economically growing at more than six percent per year. If both the countries were to maintain this economic growth India might have a little chance of being at a par with China. However, both China and India have been moving fast in the space exploration. India has successfully launched a space explorer called 'mangal-yan' and it reached the Mars, and sent back the pictures and other information on Mars. China has been building a space station.

China has set up an Asian Infrastructure Investment Bank (AIIB) for providing the Asian countries with loans for developing the infrastructures. India and Nepal both are the founder

members of this bank. Almost all prominent countries except for USA and Japan have been its members.

So, Prime Minister Prachanda's attempt on balancing the foreign policy sending his two deputies: one to China and another to India might be the correct approach after the deadly failed foreign policy of his predecessor Oli. The then so-called China or India card whatever card the former despotic rulers had used for their personal interest has been obsolete in the current context of the globalization.

Prachanda is coming back to Nepal on September 18, 2016 just in time to celebrate the first anniversary of the Constitution at the 'Sainik manch' in Kathmandu on September 19, 2016. CPN-UML is boycotting the official celebration, and preparing for celebration on its own across Nepal.

September 18, 2016

Annex

Joint Statement on the State visit of Prime Minister of Nepal, Rt. Hon'ble Mr. Pushpa Kamal Dahal 'Prachanda' to India

(15-18 September, 2016)

1. The Rt. Hon'ble Mr. Pushpa Kamal Dahal 'Prachanda', Prime Minister of Nepal, and Ms. Sita Dahal are on a State visit to India from 15-18 September 2016 at the invitation of the Hon'ble Prime Minister of India, Shri Narendra Modi. The delegation includes the Minister for Foreign Affairs of Nepal Dr. Prakash Sharan Mahat, the Minister for Physical Infrastructure and Transport Mr. Ramesh Lekhak, members of the Legislature-Parliament, and other senior officials of the Government of Nepal.
2. During the visit, Rt. Hon'ble Prime Minister of Nepal was accorded ceremonial reception at the Rashtrapati Bhawan on 16 September 2016. He paid courtesy call on the Hon'ble President of India Shri Pranab Mukherjee, and held talks with the Hon'ble Prime Minister of India. Smt Sushma Swaraj, Minister of External Affairs, Shri Arun Jaitley, Minister of Finance, Shri Piyush Goyal, Minister of State for Power (Independent Charge) called on the Rt. Hon'ble Prime Minister of Nepal. Hon'ble Prime Minister of India hosted an official banquet in honour of the visiting dignitary and the accompanying delegation. Prime Minister Prachanda will be visiting Nathpa Jhakri hydroelectric power project in Himachal Pradesh and the Food and Herbal Park at the Patanjali Yogpeeth near Haridwar. An interaction with the Indian business community was jointly hosted by ASSOCHAM, CII and FICCI in honour of the visiting dignitary.
3. Bilateral meetings were held in an atmosphere of utmost cordiality and warmth that have characterized the close and friendly relations between India and Nepal. The Prime Minister of India thanked the Prime Minister of Nepal for accepting his invitation, and warmly welcomed him in India on his first visit abroad since assuming office in August 2016. He stated that the visit would help further strengthen the age-old bonds of fraternal relations between the people of India and Nepal, and expand the multi-dimensional cooperation between the two countries. The two Prime Ministers agreed that the high-level exchanges are vital for maintaining the momentum towards further deepening of the close and cordial ties between the two countries.
4. The Prime Minister of Nepal thanked his Indian counterpart for the invitation and warm hospitality extended to him and his delegation since their arrival. He stated that his visit to India demonstrates the importance that the Government of Nepal

attaches to good neighborly relations with India. The two countries and their people share an ancient, deep-rooted and vibrant friendship based on a shared cultural and civilizational ethos. He expressed the willingness of the Government of Nepal to explore newer areas of mutual cooperation and partnerships and to take our age-old and unique ties to new heights, while reinvigorating the existing mechanisms for enhancing mutual benefit.

5. The two Prime Ministers reviewed the entire gamut of bilateral cooperation and underlined the need to further deepen and expand bilateral cooperation in all areas for the mutual benefit of the people of the two countries. They directed that all bilateral institutional mechanisms be convened regularly and their decisions be implemented expeditiously. Both sides agreed to hold the next session of the India-Nepal Joint Commission in 2016.
6. The two Prime Ministers noted the progress in promoting sub-regional cooperation, and agreed that the two governments should explore ways to further enhance it, particularly in the areas of trade, transit, connectivity and power. They also stressed the importance of enhancing regional cooperation within the framework of the SAARC and the BIMSTEC.
7. The two Prime Ministers noted that the first meeting of the Eminent Persons Group on Nepal-India Relations was held in Kathmandu in July 2016, and hoped that the Group would work intensively and look into the totality of India-Nepal relations from independent perspective and suggest measures to consolidate and further expand the close and multi-faceted ties between the two countries.
8. The Prime Minister of Nepal thanked for the prompt and extensive assistance provided by the Government and people of India in the aftermath of the devastating earthquakes of 25 April and 12 May 2015. He conveyed his gratitude to the Government of India for the latter's special assistance package of US\$ 1 billion for Nepal's post-earthquake reconstruction.
9. The Prime Minister of India welcomed the setting up of the National Reconstruction Authority (NRA) in Nepal, which will coordinate post-earthquake reconstruction projects. The two Prime Ministers agreed that expeditious action should be taken to implement mutually agreed projects in the identified sectors for post-earthquake reconstruction in accordance with the bilateral MOU signed in February 2016. At the request of the Nepali side, the Indian side agreed to extend assistance to the NRA, including through sharing of experience and capacity building by the National Disaster Management Authority of India. In response to the declared policy of the Government of Nepal to grant NRs 3 lakh to each beneficiary for reconstruction of houses, Government of India conveyed that it would increase its contribution for 50,000 households from NRs 2 lakh to NRs 3 lakh. For this purpose, US \$ 50 million will be drawn by the Government of Nepal from the LOC of US \$ 750 million for post-earthquake reconstruction.
10. The Prime Minister of Nepal shared with the Prime Minister of India developments in Nepal. He conveyed that the promulgation of the Constitution last year is a historic event in institutionalizing federal democratic republic. He also shared the efforts made by the present Government to take all sections of Nepali society on board for the effective implementation of the constitution. While appreciating the importance of the constitutional consolidation of democracy in Nepal, Prime Minister of India welcomed the ongoing efforts of the Government of Nepal to take all sections of the society on board for effective implementation of the Constitution. Prime Minister of India wished the Prime Minister of Nepal every success in this endeavor. The Prime Minister of Nepal thanked the Government and people of India for their goodwill, support and solidarity in Nepal's peace process.
11. The two Prime Ministers believe that both countries hold similar views on major international issues, including the comprehensive reforms of the UN and other international organizations, affecting the developing countries and work in close

coordination with each other in the United Nations and other international fora. The Nepali side reiterated its support for India's candidature for permanent membership of the UN Security Council.

12. The two Prime Ministers noted with satisfaction the ongoing defense and security cooperation, and the recently concluded Home Secretary level talks and the meeting of the bilateral consultative group on security matters. They stressed the need to ensure that the open border, which has facilitated economic interaction and movement of people and goods on both sides of the border and has been a unique feature of India-Nepal bilateral ties, is not allowed to be misused by unscrupulous elements posing security threats to either side. The two sides committed that they will not allow their territory to be used against each other.
13. The Prime Minister of India expressed India's commitment to continue the close partnership between India and Nepal for socio-economic, scientific and technological development. The two Prime Ministers directed the officials to closely monitor progress of the ongoing projects under bilateral economic and development cooperation, address any bottlenecks, and to complete them expeditiously in a time bound manner. In this regard, both sides agreed to set up an oversight mechanism comprising senior officials from the Indian Embassy in Kathmandu and the Government of Nepal, which will review progress together with respective project implementing agencies/developers of ongoing economic and development projects on a regular basis, and take necessary steps to expedite their implementation.
14. The two Prime Ministers expressed satisfaction at the steady growth of bilateral trade. Prime Minister of Nepal expressed concern over Nepal's growing trade deficit with India and underlined the need for taking measures to enhance Nepal's exports to India. The two Prime Ministers noted the successful conclusion of the meeting of the Inter-Governmental Committee (IGC) on Trade, Transit and Control of Unauthorized Trade, at the Secretary-level in June 2016, and agreed that the IGC will continue to discuss trade infrastructure and trade facilitation related measures to boost bilateral trade. They agreed that the Trade Treaty between India and Nepal would be renewed in October 2016 in terms of provisions of the Treaty, with the aim of enhancing the bilateral trade. Both sides agreed to hold civil aviation talks to discuss air services matters, including request for additional air routes.
15. The two Prime Ministers noted the successful completion of two roads totaling about 71 kilometers under Phase I of Terai road project. The two Prime Ministers directed the officials to expedite the construction of postal roads and feeder roads (Terai roads) and complete them expeditiously, in accordance with the modalities for implementation agreed by both sides in February 2016.
16. The two Prime Ministers stressed the need for early development of infrastructure at integrated check posts (ICPs) to facilitate smooth and faster movement of people and goods. They noted with satisfaction the progress in construction of Integrated Check Posts (ICPs) at Raxaul and Jogbani, and agreed that work on the Raxaul-Birgunj ICP project will be expedited with the objective of completing it by December 2016. It was decided to immediately commence construction of the ICP at Biratnagar, and to expedite the Detailed Engineering Reports in respect of ICPs at Nepalgunj and Bhairahawa.
17. The two Prime Ministers reviewed the progress made in the implementation of the two ongoing India-Nepal cross border rail-link projects – (a) Jayanagar-Bijalpur-Bardibas and (b) Jogbani-Biratnagar, and agreed that both sides will take further measures necessary for expeditious completion of both the projects. Both sides agreed that steps will be initiated to facilitate development of three other agreed cross-border rail-link projects (Nepalgunj-Nepalgunj road; Kakarbitta-New Jalpaiguri; Bhairawaha – Nautanwa) so that the land acquisition can commence on the Nepali side.

18. The two Prime Ministers directed the officials to expedite the construction of sub-station at Dhalkebar so that the Muzaffarpur-Dhalkebar transmission line can be operated at its full capacity as planned. It was decided that the construction of transmission lines (i) from Kataiya to Kusaha, and (ii) from Raxaul to Parwanipur will be completed by December 2016 to augment grid connectivity and power supply between the two countries. The two Prime Ministers expressed satisfaction that both countries are engaged in preparation of a Master Plan for the cross-border interconnection for the period until 2035 and Action Plan on power trade until 2025.
19. The two Prime Ministers reviewed progress of other major hydro-power projects, Pancheshwar, Upper Karnali and Arun-III, and noted that various issues be addressed expeditiously with a view to implementing the projects in a time-bound manner so that their benefits start accruing to the people at the earliest. It was decided to expedite finalization of the Detailed Project Report of the Pancheshwar multi-purpose project. It was agreed that both sides will continue to take measures to operationalize the Power Trade Agreement signed in 2014. Both sides agreed to discuss all water resources cooperation related matters such as inundation and flood management, irrigation matters and other major projects, at the next meeting of the Joint Committee on Water Resources at the Secretary level, to be convened at an early date.
20. The two Prime Ministers welcomed the signing of the MOU for the construction of Raxaul-Amlekhgunj petroleum pipeline in August 2015 and directed that construction work be undertaken expeditiously.
21. Both the Prime Ministers expressed satisfaction at the utilization of the two Lines of Credit of US\$ 100 million and US\$ 250 million for development of roads and power infrastructure in Nepal. The two Prime Ministers welcomed the allocation of US\$ 200 million for irrigation projects, and US\$ 330 million for development of roads and Mahakali bridge from the LoC of US\$ 550 million. Both sides expressed their commitment to early implementation of these projects. At the request of Nepal, India conveyed its willingness to extend an additional line of credit to take up projects namely, Hulaki Rajmarg (Phase-II); cross-border transmission line connecting Butwal, 400 KV sub-stations at Dhalkebar and Hetauda, and a polytechnic in Kaski District.
22. The two Prime Ministers expressed satisfaction at the performance of the Indian Joint Ventures in Nepal and emphasized the need for channelizing more Indian investments into Nepal according to its development priorities. They underlined the need for a secured environment for the investors to project Nepal as an attractive destination for foreign investment.
23. The two Prime Ministers welcomed the commencement of work for construction of a Dharmashala at the Pashupatinath Area. The MOU between the Pashupati Area Development Trust and the Archeological Survey of India for reconstruction and renovation of the monuments at the Pashupatinath Area will be finalized expeditiously.
24. The two Prime Ministers stressed the need for taking forward the cooperation in the fields of tourism and ayurvedic system of health care. In this regard, both sides will take steps to fully implement the MOUs on cooperation in Traditional Medicine and on Tourism Cooperation, including development of tourism in the form of Buddhist and Hindu pilgrim circuits.
25. The Prime Minister of Nepal extended an invitation to the Prime Minister of India to pay an official visit to Nepal. The Prime Minister of India accepted the invitation. The date will be finalized through diplomatic channels.

New Delhi

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