

Resetting the Relationship: India's Recent Engagements with Nepal

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Summary

India and Nepal are embroiled in a cartographic row since November 2019, which has severely affected their relationship. However, in October 2020, Indian officials made a series of visits to Nepal to de-escalate bilateral tensions. This paper examines the significance of these visits on India-Nepal ties and China's response to this improving bilateral relationship.

Introduction

Over the years, the India-Nepal relationship has seen it all – from friends to adversaries to finding their way back to each other. Historically, they shared a relationship of mutual trust and cooperation embedded in deep economic, cultural and people-to-people linkages. While the bond is still intact, the dynamics have changed over time. In 2015-16, Nepal blamed India for imposing an economic blockade in support of the Madhesi, who were protesting against some of the provisions they found unfair in the constitution. The claims were denied by the Indian government. The blockade severely affected Nepal's economy, which was already reeling from a devastating earthquake of April 2015.¹ This episode convinced the political leadership in Nepal of the need to diversify its foreign relationships. As a result, Nepal and China signed various agreements, one of which allowed Nepal to use land routes through China to access ports for trade. This move ended India's long held monopoly of being the sole land corridor through which Nepal accessed ports, thereby increasing Beijing's influence within Nepal.² However, it was in 2019 when the Indo-Nepal relationship hit a nadir.

In November 2019, India released a revised political map to re-demarcate its physical boundary after the abrogation of Article 370, which scrapped the special status of Jammu and Kashmir. The new map showed the Kalapani region, an area claimed by both India and Nepal, as part of Uttarakhand. This move was heavily criticised by Nepal's government and public, which led to a massive uproar in Kathmandu.³ It aggravated pre-existing bilateral tensions leading to a political and diplomatic stand-off between the two countries.

¹ Danielle Torrent Tucker, "2015 Nepal earthquake offers clues about hazards", *Stanford EARTH*, 26 June 2019. <https://earth.stanford.edu/news/2015-nepal-earthquake-offers-clues-about-hazards#gs.o7uzyd>. Accessed on 16 December 2020.

² "After the 'Blockade': China's Push into Nepal", *The Diplomat*, 01 February 2017. <https://thediplomat.com/2017/02/after-the-blockade-chinas-push-into-nepal/>. Accessed on 15 December 2020.

³ Anbarasan Ethirajan, "India and China: How Nepal's new map is stirring old rivalries", *BBC News*, 10 June 2020. <https://www.bbc.com/news/world-asia-52967452>. Accessed on 15 December 2020.

While the Kalapani tension was still fresh, things worsened in May 2020, when India's Defence Minister Rajnath Singh inaugurated a road construction near the Lipulekh pass, which is located near the Kalapani valley. Nepal condemned the move, contesting that the road passes through Kalapani.⁴ It also blamed India for unilaterally attempting to change the area's status quo and encroaching upon its territory. Expressing its displeasure, Nepal's foreign ministry handed a diplomatic note to the Indian Ambassador to Nepal, Vinay Mohan Kwatra.⁵

In response to India's activities, Nepal's Parliament approved a new map of its own in June 2020, which demarcated the land strip of Kalapani, Lipulekh, and Limpiyadhura as part of its territory.⁶ India's Ministry of External Affairs' spokesperson Anurag Shrivastava termed this move as "unilateral" and "not based on historical facts and evidence."⁷

However, developments since August 2020 suggest the possibility of a recalibration and a positive future trajectory in the Indo-Nepal ties. On 15 August 2020, Nepal's Prime Minister K P Sharma Oli made a congratulatory call to his Indian counterpart Narendra Modi on India's 74th Independence Day and expressed Nepal's willingness to resume "meaningful bilateral cooperation".⁸ Following this telephonic conversation, there has been a series of diplomatic visits from India to Nepal. Each visit, significant in its own way, illustrated various facets of the Indo-Nepal bilateral relationship, Nepal's domestic politics and China's palpable apprehension to these visits.

Diplomatic Engagements between India and Nepal

Eighth Meeting of Nepal-India Oversight Mechanism

On 17 August 2020, Kathmandu held the eighth meeting of Nepal-India Oversight Mechanism via videoconferencing, which was attended by Kwatra and Nepal's Foreign Secretary Shankar Bairagi.⁹ This mechanism was established in 2016 to oversee the implementation of bilateral projects between the two countries. During the meeting, the

⁴ PTI, "Nepal objects to India's 'unilateral' opening of link road to Kailash Mansarovar", *The Print*, 9 May 2020. <https://theprint.in/world/nepal-objects-to-indias-unilateral-opening-of-link-road-to-kailash-mansarovar/418096/>. Accessed on 03 December 2020.

⁵ "Nepal hands over diplomatic note to Indian ambassador expressing displeasure over India's opening of a road via Lipulekh", *The Kathmandu Post*, 11 May 2020. <https://tkpo.st/2LgKwFM> Accessed on 3 December 2020.

⁶ "Nepal Parliament approves new map that includes land India claims", *Aljazeera*, 18 June 2020. <https://www.aljazeera.com/news/2020/6/18/nepal-parliament-approves-new-map-that-includes-land-india-claims> Accessed on 28 November 2020.

⁷ Ministry of External Affairs, Government of India "Official Spokesperson's response to media queries on the revised map of Nepal released today by Government of Nepal", 20 May 2020. https://www.mea.gov.in/response-to-queries.htm?dtl/32697/Official_Spokespersons_response_to_media_queries_on_the_revised_map_of_Nepal_released_today_by_Government_of_Nepal%20. Accessed on 28 November 2020.

⁸ "Nepal PM Oli calls Modi, talks about boosting ties", *Hindustan Times*, 16 August 2020. <https://www.hindustantimes.com/india-news/nepal-pm-oli-calls-modi-talks-about-boosting-ties/story-7BaANrKrfvD4iy9qHeYjBL.html> Accessed on 28 November 2020.

⁹ "Press Release on the Eighth Meeting of Nepal-India Oversight Mechanism," *MoFA*, Kathmandu, 17 August 2020. <https://mofa.gov.np/press-release-on-the-eighth-meeting-of-nepal-india-oversight-mechanism/>. Accessed on 7 December 2020.

two sides discussed the status on the ongoing bilateral projects, including the cross-border railways, petroleum products pipelines, the Arun-III hydropower project and the Pancheshwar multipurpose project.¹⁰ They also discussed the construction of bridges over the Mahakali River – the river’s origin remains a contested point as it marks the boundary between the two countries. They expressed the need for a speedy implementation of these projects and frequent talks to overcome the challenges that arise in the process.¹¹

Research and Analysis Wing Chief visits Kathmandu

In October 2020, Samant Goel, Chief of India’s intelligence agency, the Research and Analysis Wing, visited Kathmandu for a day-long trip.¹² He met Oli and expressed India’s willingness to resolve the outstanding bilateral issues through proper dialogue mechanisms, enhance bilateral engagement and keep the Indo-Nepal friendship intact.¹³ This visit took place a few weeks before the visit of Indian Army General Mukund Naravane to Kathmandu in November 2020.¹⁴

Indian Army General visits Kathmandu

As scheduled, Naravane visited Nepal on 5 November 2020, complying with the age-old tradition of felicitating newly-appointed army generals. He was conferred the rank of General of the Nepali Army by the country’s President Bidhya Devi Bhandari. During his conversation with Bhandari, they discussed ways to enhance bilateral cooperation. He also met his counterpart General Purna Chandra Thapa, with whom he discussed border management issues and the need to strengthen bilateral cooperation in defence and security areas.¹⁵

As a sign of goodwill, Naravane also presented Nepal with medical equipment and ventilators for its army’s field hospitals to fight COVID-19 and assured the country that it would be a priority once the vaccine is rolled out in India.¹⁶ Before ending his tour, Naravane met Oli who assured him that India and Nepal would resolve the outstanding issues through formal dialogue mechanisms.¹⁷

¹⁰ Ibid.

¹¹ Ibid.

¹² Nayanima Basu, “R&AW chief on hurricane tour to Nepal, to meet PM Oli as trouble brews in ruling party”, *The Print*, 21 October 2020. <https://theprint.in/diplomacy/raw-chief-on-hurricane-tour-to-nepal-to-meet-pm-oli-as-trouble-brews-in-ruling-party/528403/>. Accessed on 7 December 2020.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ PTI, “Army chief Naravane meets Nepalese counterpart, discusses ways to enhance friendship”, *The Print*, 5 November 2020. <https://theprint.in/defence/army-chief-naravane-meets-nepalese-counterpart-discusses-ways-to-enhance-friendship/537739/>. Accessed on 8 December 2020.

¹⁶ ANI, “Army Chief On 3-Day Visit To Kathmandu, Gives Medical Aid To Nepal Army”, *NDTV*, 5 November 2020. <https://www.ndtv.com/india-news/army-chief-general-manoj-mukund-naravane-on-3-day-visit-to-kathmandu-gives-medical-aid-to-nepal-army-2320995> Accessed on 8 December 2020.

¹⁷ Dinakar Peri and Kallol Bhattacharjee, “Army Chief Naravane meets Nepal PM Oli, assures further defence cooperation”, *The Hindu*, 6 November 2020. <https://www.thehindu.com/news/national/army-chief-naravane-meets-nepal-pm-oli-assures-further-defence-cooperation/article33041287.ece>. Accessed on 15 December 2020.

Indian Foreign Secretary visits Kathmandu

Maintaining the continuity of visits, Indian Foreign Secretary Harsh Vardhan Shringla made the much-awaited visit to Kathmandu on 26-27 November 2020, a trip which was delayed due to the outbreak of the COVID-19 pandemic.¹⁸ During his visit, Shringla met his Nepalese counterpart Bharat Raj Poudyal, Foreign Minister Pradeep Gyawali, Oli and Bhandari.¹⁹ With Poudyal, he held extensive talks reviewing various bilateral aspects like trade, connectivity, infrastructure and culture. They also discussed boundary-related issues such as completing the work in the remaining segments through proper mechanisms. Poudyal appreciated India's move of ensuring proper facilitation of cross-border trade during the pandemic.²⁰ With Bhandari, he discussed ways to bolster the bilateral relationship between the two countries. During his meeting with Gyawali, Shringla conveyed External Affairs Minister S Jaishankar's invitation to him to come to India for the next Nepal-India Joint Commission Meeting.²¹ He also handed over 2,000 vials of Remdesivir injection to Gyawali to fight the pandemic and further assured India's support to Nepal for COVID-related assistance.²²

With Oli, Shringla discussed measures to intensify bilateral engagements through people-to-people linkages, strategic bilateral initiatives, and issues of mutual interest. Oli also reiterated his interest in resolving pending disputes through bilateral mechanisms.²³ Besides Oli, he also met the Nepali Congress and Madhesh leaders to discuss ways to improve bilateral ties.²⁴

Implications of the Visits on Nepal's Domestic Politics

While this series of visits highlights a positive trajectory in an otherwise strained bilateral relationship, it had a range of implications on Nepal's domestic politics and Oli's competency as Nepal's prime minister.

Firstly, Goel's visit deepened tensions in the ruling coalition, the Nepal Communist Party (NCP). The coalition formed from a merger of the two parties led by the two chairmen, Oli and Pushpa Kamal Dahal, has been embroiled in a bitter spat due to conflict of interests and

¹⁸ Deepak K C, "Indian foreign secretary, arrives in Kathmandu on a two-day visit", *The Kathmandu Post*, 26 November 2020. <https://kathmandupost.com/national/2020/11/26/indian-foreign-secretary-arrives-in-kathmandu-on-a-two-day-visit> Accessed on 8 December 2020.

¹⁹ Ibid.

²⁰ "Indian foreign secy winds up Nepal visit", *The Himalayan Times*, 28 November 2020. <https://thehimalayan.com/nepal/indian-foreign-secretary-harsh-varadhan-shringla-winds-up-nepal-visit/>. Accessed on 4 December 2020.

²¹ IANS, "Nepal's foreign minister Pradeep Gyawali to visit India for bilateral talks", *WION*, 3 December 2020. <https://www.wionews.com/south-asia/nepals-foreign-minister-pradeep-gyawali-to-visit-india-for-bilateral-talks-347300> Accessed on 4 December 2020.

²² Press Release, *Ministry of External Affairs*, 23 November 2020. <https://mofa.gov.np/press-release-on-official-visit-of-foreign-secretary-of-india-shri-harsh-varadhan-shringla/>. Accessed on 26 November 2020.

²³ Ibid.

²⁴ Ibid.

power struggle.²⁵ Against this background, Goel's visit escalated the ongoing internal tensions.

Firstly, several media reports claimed that Dahal held a meeting with Goel, which the former denied.²⁶ Dahal also denied prior knowledge about the meeting between Goel and Oli.²⁷ In fact, he criticised his party co-chair Oli for taking a unilateral decision to invite Goel and going against the party playbook.²⁸ Goel also met Nepal's opposition leaders like Sher Bahadur Deuba and Baburam Bhattarai, further increasing the tensions between the factions.²⁹ Two, Oli has been secretive about disclosing the meeting's details to his party colleagues, portraying disunity and lack of transparency within the party. This has further widened the rift.³⁰

Secondly, Naravane's visit represented more than just a tradition of felicitating the general. When Nepal opposed India's inauguration of a road link near Lipulekh in May 2020, Naravane made a controversial comment alleging Nepal of "acting at the behest of someone else", without naming China.³¹ Nepali Defence Minister, Ishwor Pokharel, allegedly known to have a strong anti-Indian stance, criticised Naravane for making political statements and insulting Nepal's sovereignty.³² However, just a week before Goel's visit, Oli reshuffled his cabinet, where he removed Pokharel from his ministerial post, which many see as his attempt to reset bilateral ties with India.³³

Thirdly, questions have arisen on Oli's outlook towards India. He rode to power on strong anti-Indian sentiments, but his recent actions have depicted otherwise.³⁴ For instance, his presence in all the visits by Indian officials was indicative of his changing outlook towards India. He also faced severe backlash from his party members on the timing of Pokharel's removal from the defence portfolio, which was just a month before Naravane's visit. His tweet during Dussehra showed the old political map of Nepal, which did not include

²⁵ Kamal Dev Bhattarai, "With Nepal's Ruling Party in Another Power Tussle, Govt Stability Could Be Threatened", *The Wire*, 16 November 2020. <https://thewire.in/south-asia/nepal-communist-party-prachanda-oli-tussle-government-stability> Accessed on 1 December 2020.

²⁶ "R&AW chief's 'covert' visit to Nepal PM creates stir; Oppn diss KP Sharma Oli, calls move improper, objectionable", *Firstpost*, 23 October 2020. <https://www.firstpost.com/world/r-oppn-diss-kp-sharma-oli-calls-move-improper-objectionable-8945701.html> Accessed on 16 December 2020.

²⁷ Ibid.

²⁸ Ibid.

²⁹ PTI, "R&AW Chief Samant Kumar Goel's Meeting with Nepal PM Oli Sparks Criticism", *NEWS18*, 23 October 2020. <https://www.news18.com/news/world/raw-chief-samant-kumar-goels-meeting-with-nepal-pm-oli-sparks-criticism-2999042.html>. Accessed on 27 November 2020.

³⁰ Ibid.

³¹ ANI, "Army Chief Naravane's remark on Lipulekh an insult to our history: Nepal Defence Minister", *The Print*, 25 May 2020 <https://theprint.in/india/army-chief-naravanes-remark-on-lipulekh-an-insult-to-our-history-nepal-defence-minister/429226/>. Accessed on 27 November 2020.

³² Ibid.

³³ Shishir Gupta, "Nepal PM Oli sends a quiet message to India with a change in his cabinet", *Hindustan Times*, 15 October 2020. <https://www.hindustantimes.com/india-news/nepal-pm-oli-s-cabinet-resuffle-holds-an-outreach-message-to-india/story-a820jW7jDvkS3hQa7Pd93N.html>. Accessed on 25 November 2020.

³⁴ Kairvy Grewal, "New map 'lifeline' for PM Oli who came to power riding anti-India nationalism: Ex-envoy Rae", *The Print*, 2 June 2020. <https://theprint.in/diplomacy/new-map-lifeline-for-pm-oli-who-came-to-power-riding-anti-india-nationalism-ex-envoy-rae/433908/> Accessed on 1 December 2020.

Limpiyadhura as its territory, stirring another storm in Nepal.³⁵ Though Oli's Press Advisor Surya Thapa later justified the tweet as a technical snag, the question still prevails: Is Oli taking a softer stance towards India?³⁶

China's Response

China is closely monitoring the political activities and developments in Nepal. The ongoing clash in the ruling NCP has deeply concerned China, as is evident from its Ambassador to Nepal, Hou Yanqi's, separate meetings with the two chairmen, Dahal and Oli, to prevent the party's split.³⁷

On the external front, New Delhi's attempts and Nepal's willingness to reset their bilateral ties have put Beijing on alert. Chinese Defence Minister Wei Fenghe's visited Nepal soon after Shringla's visit. Fenghe is the senior-most Chinese official to visit Nepal after President Xi Jinping in October 2019 and the first Chinese Defence Minister to do so in 16 years.³⁸ Fenghe met Oli and exchanged views on matters of mutual interest and promote "friendly relations" between the two countries.³⁹ He also vowed to bolster military cooperation with Nepal and respect its territorial integrity, hinting towards India.⁴⁰

Besides Oli, Fenghe also met Chandra Thapa and discussed ways to resume military cooperation and training impacted by the pandemic.⁴¹ They discussed resuming non-lethal military supplies to Nepal, student exchange programmes, and defence assistance.⁴² With the United States signing a US\$500 million (S\$669 million) compact with Nepal under the Millennium Challenge Corporation and India's attempts to reset its ties with it, China is finding ways to ensure its continued influence there.⁴³ The delay in Nepal's projects under its Belt and Road Initiative and the Nepali Congress' recent allegations of China's encroachment in the Humla district have added to its concerns.⁴⁴

³⁵ Yubaraj Ghimire, "Controversy over old map of Nepal in Oli's Dussehra greeting card", *The Indian Express*, 25 October 2020. <https://https://indianexpress.com/article/world/controversy-over-old-map-of-nepal-in-kp-oli-dussehra-greeting-card-6878975/>. Accessed on 1 December 2020.

³⁶ Ibid.

³⁷ Dipanjan Roy Chaudhury, "Closed door meetings: Chinese envoy Hou Yanqi tries again to unite Nepal Communist Party", *The Economic Times*, 30 July 2020. <https://economictimes.indiatimes.com/news/defence/chinese-envoy-tries-again-to-unite-nepals-communists/articleshow/77248840.cms?from=mdr>. Accessed on 06 December 2020.

³⁸ "Chinese defense minister arrives in Kathmandu on a day-long visit", *The Kathmandu Post*, 29 November 2020. <https://kathmandupost.com/national/2020/11/29/chinese-defense-minister-arrives-in-kathmandu-on-a-day-long-visit>. Accessed on 6 December 2020.

³⁹ Ibid.

⁴⁰ "मित्रराष्ट्र जनवादी गणतन्त्र चीनका STATE COUNCILOR तथा रक्षामन्त्री GENERAL WEI FENGHE जङ्गी अड्डामा आयोजित विभिन्न कार्यक्रममा सहभागी", *Nepali Army*, 29 November 2020. <https://www.nepalarmy.mil.np/press-release/1959>. Accessed on 14 December 2020.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Kripendra Amatya, "The MCC and Nepal's Strategic Ties with the US", *The Diplomat*, 19 February 2020. <https://thediplomat.com/2020/02/the-mcc-and-nepals-strategic-ties-with-the-us/>. Accessed on 14 December 2020.

⁴⁴ ANI, "Nepal's opposition leader claims China has 'encroached our territory' in Humla district", *The Print*, 11 October 2020. <https://theprint.in/world/nepals-opposition-leader-claims-china-has-encroached-our-territory-in-humla-district/521562/>. Accessed on 1 December 2020.

Conclusion

India's efforts to reset its ties with Nepal come at a time when it is facing tensions from neighbouring Pakistan and China. India understands Nepal's geopolitical importance for defence and security purposes. It also recognises the advantages it has in Nepal in relation to China in terms of historical, economic, and cultural linkages. With Nepal also willing to make amends, India has substantial control over the situation, which could turn in its favour if it increases its engagements with Nepal.

Sandwiched between the two Asian giants, Nepal is inadvertently caught in a geopolitical competition. As such, based on the evolving geopolitical scenario in the Himalayas and its own changing political narratives, Kathmandu has drafted a new foreign policy in October 2020. According to the snippets disclosed by Foreign Minister Pradeep Gyawali, it aims to balance its neighbours while maintaining its national interests. It disallows any form of external interference in its domestic affairs.⁴⁵ While ideal, such an objective would be difficult to put into practice.

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⁴⁵ Kamal Dev Bhattarai, "Amid Rising Big Power Tensions, Nepal Seeks a New Foreign Policy", *The Diplomat*, 19 October 2020. <https://thediplomat.com/2020/10/amid-rising-big-power-tensions-nepal-seeks-a-new-foreign-policy/>. Accessed on 28 November 2020.