

Address

by

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Minister of Foreign Affairs of Nepal

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Ambassador Dr. T C A Raghavan, Director General of ICWA

Distinguished diplomats, scholars, and professors present here, and those who have joined us virtually,

Friends from the media,

Ladies and Gentlemen.

It is indeed a great pleasure for me to speak before this distinguished audience.

I sincerely thank the Indian Council of World Affairs for this opportunity and for the warm reception. I thank you, Ambassador Dr. Raghavan, for your kind words of introduction.

That many eminent people are virtually linked for this conversation reflects the interest you all have on Nepal.

For me, this demonstrates your goodwill about Nepal as well as the importance attached to Nepal-India relations.

Dear Friends,

Nepal is not unfamiliar to you. Neither is the kind of political transformation that Nepal has achieved in the recent decades.

It rarely happened elsewhere in the world that a society succeeds to smoothly shift from armed conflict to peaceful political process, agrees on the agenda of socio-political restructuring, accomplish the journey from bullet to ballot and the entire process culminates in the making of the inclusive constitution by people's elected representatives.

The Constitution that we made guarantees human rights and fundamental freedoms to all citizens without any discrimination. It seeks to promote socio-economic justice to the backward communities in our society. In the past three years, our focus has been on translating the same constitutional aspiration into reality.

In a diverse society like ours, where political forces carry contesting ideologies, managing transition was not easy. But we did it with a firm resolve. It was a resolve to transform society and empower everyone.

I must mention here that in accomplishing this historic change, we received valuable support from all of our friends and well-wishers in the neighbourhood and around the world, for which we are most thankful.

Post-constitution transition remained short. As envisaged in the Constitution, elections were held for local, provincial and federal legislatures in 2017. After 20 years' gap, the local bodies received elected leadership. And we have already started to see the positive impacts of the empowered local bodies at the grassroot level. The newly established provincial governments have also proven their importance.

A decision has recently been taken to go to the sovereign people for a fresh mandate. These elections will be yet another important occasion for expressing popular will and further strengthening our democratic foundation.

Political process having taken a settled course, our focus is now on the other aspects of people's freedom, namely freedom from poverty and underdevelopment; freedom from hardships of deprived living; freedom

from worry about the basic needs; freedom to pursue a healthy and prosperous life.

We are fully aware that political gains can only be sustained if we are able to create a robust economic foundation.

And to this end, our government, under the leadership of Prime Minister K P Sharma Oli, is resolutely focused on realizing the national aspiration of '**prosperous Nepal, happy Nepali**'. For this, we have rearranged our economic development priorities, defined time bound goals, and implemented them with all our strengths.

In the past three years, Nepal has made significant strides in various dimensions of socio-economic transformation. The pace and intensity of the transformation has never been more visible and impactful. The country has progressed on most of the development indicators.

Prior to COVID 19 pandemic, Nepal was in the list of top 10 countries with high economic growth. The rate of growth had been above 6.5% continuously for the past 3 years. At the same time, poverty level was reduced by 1.5% every year.

During the same period, Nepal achieved significant improvements in more than 14 global indicators. It is encouraging that we were among the top 10 countries in making improvements in human development index, ease of doing business, hunger index, peace index, rule of law, corruption control and transparency, happiness index, and gender parity.

Trade deficit has come down by 10%; FDI has increased; development cooperation has increased; and we are in a better situation in terms of foreign currency reserve.

Works related to strategic infrastructure critical for Nepal's development including cross border railways, East-West electric railway, waterways, new airports, Kathmandu-Terai Expressway are

moving ahead. Construction and upgradation of Mid Hill Highway together with expansion of East-West Highway are ongoing.

Guided by the motto of economic growth with social justice, the government has initiated the contribution-based universal social security scheme. Health insurance has reached more than sixty districts.

Despite Covid 19, school enrollment has reached 98%. In health sector, just last month, we laid the foundation stone for new hospitals of 5 to 15 beds capacity in 396 urban and village municipalities to be built simultaneously. This was a historic announcement made with the purpose of ensuring people's access to health services even in the remotest part of the country.

Post-earthquake reconstruction works are nearing completion, including the restitution of some of the rich and treasured historical icons. Seven lakhs private homes have been built and I am glad to share that these include 47 thousand houses built under government of India's generous assistance. People living in vulnerable locations have been shifted to safe settlements.

We are mindful that these achievements are not adequate. There is much more to do.

Our development needs are immense and aspirations are boundless. Resources are limited and challenges are numerous. And many of these challenges we cannot confront alone; many of our aspirations we cannot meet by our lone efforts.

That is why we need partners; we need friends. Natural start of such friendship is neighbourhood. We see a natural connection between our aspiration for prosperity with the prosperity of our big neighbours.

This would mean for us a robust economic partnership that enables us to grow and unleash our potentials;

- a partnership that helps overcome Nepal's structural bottlenecks as landlocked and least developed country;
- a partnership that fosters mutually rewarding and beneficial trade relationship;
- a partnership that propels the process of industrialization, flow of investment, transfer of technology and connects our economies in value chain;
- a partnership that leads to better utilization of our natural resources for sustained economic growth and development; and
- a partnership that makes our relations impactful to the lives of our peoples.

Distinguished Friends,

Our two countries are connected by geography as well as history, by nature as well as culture. Both our societies are blessed with ancient wisdom and heritage whose timelessness has been universally recognized.

When we come to the context of our relations today, the key question is how much we can serve the aspirations of people; to what extent we can be supportive of each other's quest for growth and development.

Both our countries are highly diverse societies and have our own unique experiences of managing this diversity. We have similar aspirations and face identical challenges in pursuit of respective national goals. Our developmental challenges are similar too. Poverty is still significant in our countries. We face the urgency to ensure that our people have a decent home, decent clothes and quality food; that our youths receive quality education that makes them competent and competitive.

These common urgencies do tell us why economic development should be more crucial in our contemporary conversations; why we need to forge close economic partnership to that end; and why cooperative relations between our two countries is important.

Nepal-India relations are the vast confluence of political and economic interactions as well as unique ties at people-to-people level. It cannot be confined to one dimension alone.

In political sphere, both countries have been brought closer by their steadfast commitment to democratic values, practices and system of governance. India has demonstrated how democracy and development could be successfully pursued together so as to promote overall progress and prosperity of the people.

Nepal is equally effortful to consolidate democracy and strengthen democratic institutions so that the gains of our long struggles remain unshakable.

In order to carry forward our multi-faceted relations, we have built a large network of bilateral mechanisms in almost all sectors of cooperation. There are close to three dozen mechanisms that are currently functioning at various levels and in different areas.

I am in Delhi this time to hold the meeting of one such important mechanism with my distinguished counterpart, Dr Jaishankar, the External Affairs Minister of India.

Needless to say that relationship between neighbours has its own characters. Mutual trust, understanding and respect for each other's sensitivities and concerns contribute to strengthen the foundation of such relationship. Building and nurturing trust is absolutely essential for the health and harmony of the relations.

In this spirit, we desire to start the conversation with a view to resolving the question of boundary alignment in the remaining segments. Many of you may be aware that Nepal and India share over 1,800 km long international boundary most of which is jointly mapped. Only in the stretches of some kilometers, the work remains to be completed.

Finding an agreeable boundary alignment in these segments may not only take us to the stage of fully settled international boundary but may also help generate positive vibe in public sentiment as well as help instill greater degree of trust and confidence in bilateral relations. I believe that we can work out and reach that stage.

While both sides have agreed to resolve the boundary question through talks, we have also shown wisdom that despite the difference in one area, the momentum of our overall engagements is continued. We are also mindful that we should not let any outstanding issue between us be there forever and become irritant in an otherwise friendly relationship.

Ladies and Gentlemen,

For Nepal, India remains the largest trading partner. However, the problem of bilateral trade deficit looms large. Our economy cannot sustain this alarmingly high trade imbalance.

In the process of the review of the bilateral trade arrangement, we have proposed certain measures that would offer us some genuine space and help us expand our export base. We expect positive and forthcoming consideration of these measures. Nepal is not a competitor of India in trade. I am sure many of you would agree when I say that making Nepal economically strong serves India's interest too.

We have likewise flagged a few proposals for expansion and streamlining of the current transit arrangements. We like to see an early conclusion of this review process as well.

Nepal and India are endowed with resources, both natural and human. The 21st century should not merely be the century of potentials and resources – lying untapped and unused. It should be the century of dream realization.

Talking about potentials, hydropower development is an important sector of bilateral economic partnership. It will benefit the people and industries of both our countries. We need to generate a success story by sincerely implementing the projects agreed in the past. Pancheshwar project comes atop. Our recent conversation on this transformative mega project has been encouraging. Once realized, Pancheshwar will not only be a big project on its own but also set a success story of how we can make arrangements for cost and benefit sharing in harnessing of our vast water resources.

Indian investors are already finding traction in investing on hydro projects in Nepal. Two large scale projects have been initiated – one by a public enterprise and the other by a private investor.

In order to facilitate cross border trade of electricity from projects like these, our two countries concluded a bilateral Power Trade Agreement in 2014 incorporating the provision about free trade of electricity. Power traders and developers are awaiting issuance of a facilitative procedures for cross border electricity trade.

Nepal's desire is to see an early possibility of unhindered trade of electricity among at least the BBIN countries.

The importance of connectivity cannot be overemphasized. We need to further expand air connectivity, air routes and road and rail linkages. Added to these are railways, waterways and other components of cross-border transit, transport hardware and software.

Lately, we have made noticeable progress on some of our flagship connectivity projects. Our Prime Ministers inaugurated a year ago Motihari-Amlekhgunj Petroleum Products Pipeline, the first cross border pipeline in the region. We are talking about further expansion of pipeline infrastructure.

Integrated Check-posts have been developed and operationalized at two major border points streamlining the cross-border movement of goods. More such Check-posts are on the plan.

Progress has been made on cross border railways too. Required preparatory steps are being taken for the development of Kathmandu-Raxaul railway. Our experts have undertaken homework on inland waterways as well. These initiatives will not only make us more connected but also contribute to Nepal's transformation from land-locked to land-linked situation.

Beyond the respective border, our two countries do share a dream of regional prosperity and better regional cooperation. We work together in SAARC, BIMSTEC and BBIN. Even during the Covid 19 pandemic, we explored the possibility of regional cooperation among the SAARC countries. We thank the Prime Minister of India for taking the initiative to convene the virtual summit of SAARC leaders.

In international forums, Nepal and India are both advocates of the issues uniquely faced by developing countries and do raise voice for a fairer and more inclusive global development architecture. We speak for a better level playing field for all countries.

Dear Friends,

We are in the changed context both at home and abroad. Accordingly, we want to inject fresh perspectives into our relations with external world.

Our foreign policy priority begins at our borders. Talking about India, our intention is to strengthen the foundation of our relations; to expand and consolidate it; and to bring the relations to the next level. Our objective is clear and unambiguous.

We are two countries of different size, populations, level of economic development. The scope of our ambition is different, so is our strength. India is aspiring to be a global power, both politically and economically. Nepal's ambition is to be a more stable and prosperous country.

As a close neighbour, we are delighted to see India's incredible achievements: be it the infrastructure build-up or industrialization; be it the advancement in technology, or in terms of the seven decades of successful democratic practice.

Today as we wait for the availability of COVID 19 vaccines, India is one of the few front runners that have started vaccinating the people. This has given us a great hope. I take this opportunity to congratulate India and its innovative companies for the success. Being next door, we believe we too will be availing these vaccines.

Dear Friends,

Nepal was among the few countries that remained independent throughout its history. In this very fact is rooted the abounding sense of national pride of today's 30 million Nepali people. We, therefore, hold dearer than anything else the principles of sovereign equality, mutual respect and non-interference.

We pursue an independent foreign policy and our conduct of external relations is based on a balanced outlook. We do not harbour ill-will against anyone. Amity with all and enmity with none is our motto. Guided by the same principles, we seek to foster relations with neighbours and all friendly countries around the world.

Prime Minister Oli said, while in this very city three years ago, that Nepal desired to create a strong edifice of trust in our relations; desired to create a relationship which would make our generation and the future equally proud. We want to see a 21st century Nepal-India relationship, which is forward looking and firmly founded on equality, mutual

respect, justice and understanding of each other's concerns and sensitivities.

For that, we should sincerely attend to the issues that we have inherited from the past; address them appropriately and should creatively work out the agendas for future. With the same objective, we created an Eminent Persons' Group in 2016 and mandated them to review the entire spectrum of Nepal-India relations and recommend measures to upgrade them in the changed context. EPG has done its work and our job is to receive their report and implement.

One of the tasks assigned to EPG was the task of recommending the inputs for the review of past treaties and agreement, including the Peace and Friendship Treaty of 1950. We have agreed to revise, adjust and update the Treaty to better reflect the current reality and to further consolidate and expand our friendship. We need to do it sooner than later.

To conclude, our conviction is unwavering that Nepal-India friendship stands on a robust foundation. Our connection is deep and engagement comprehensive. Yet we should be mindful equally that healthy relations require continuous nurturing, creative thinking, promptness and readiness to understand each other in changing dynamics. I am sure we have that competence.

Thank you!