

**ADDRESS BY THE PRESIDENT OF INDIA, SHRI PRANAB
MUKHERJEE AT THE INDIA FOUNDATION-NEETI
ANUSANDHAN PRATISHTHAN NEPAL SEMINAR**

Kathmandu, Nepal : 03.11.2016

1. Thank you for your warm words.
2. I am very happy to be here in Nepal again.
3. Over the years, serving in Government in various capacities, I have visited Nepal on several occasions; I have directly participated in the discussions, decisions, planning and implementation of the joint development work that our Governments have taken up across the length and breadth of this close neighbour of India. I share your satisfaction at what has been achieved, progress has been made in the right direction, but much more has to be done to realise the true potential of Nepal.
4. Therefore I appreciate this opportunity to share my thoughts on India-Nepal relations with this eminent audience.

Ladies and Gentlemen,

5. The unique bonds of civilisational linkages between India and Nepal, our time tested fraternal ties, our open borders and our according national treatment to each other's citizens underline our shared belief that we have a common destiny. Protected by the mighty Himalayas, nurtured by its river systems, we have vital

stakes in the collective progress and well being of our two peoples and peace in our region.

6. India, therefore, accords high value to its bilateral relationship with Nepal – in the framework of its ‘neighbourhood first’ foreign policy. A key principle of our consistent policy has been peaceful co-existence and shared prosperity. In an increasingly globalizing, inter-connected and inter-dependent world, India believes that for our region to reach its full potential in socio-economic development, our nations must proceed with a shared vision for peace, stability and growth.

7. Today, Nepal is on the threshold of a new era. It is striving to consolidate the gains of multi-party democracy and is presently engaged in charting the course for socio-economic development in all its regions. India applauds the enterprise and achievements of the people of Nepal. We stand ready to share with Nepal our experience of building strong democratic institutions. India welcomes the ongoing efforts of the Government of Nepal to take on board all sections of its society for effective implementation of its Constitution. We wish the people of Nepal every success in this endeavour.

8. Coming to the current state of India-Nepal ties, it is seen that this enduring partnership continues to be driven and characterised by the socio economic and developmental imperatives of our two peoples. Trade and economic co-operation are foundational pillars of India-Nepal partnership. We have maintained a steady growth in

bilateral trade and mutual investments. But we can do much more to facilitate trade and promote investments. It is important that we encourage our respective private sectors to enhance their engagement. There are, today, tremendous opportunities in our manufacturing and services sectors. Nepalese firms can join in developing regional supply chains and benefit from India's growth story. With our long history of co-operation in this sector, we should be in a position to work together to overcome impediments and streamline systems. We should, in a collaborative spirit, be able to effectively resolve issues related to market access and take steps to strengthen our trade infrastructure. We must continuously work together to make trade and transit arrangements simpler for our business communities.

Ladies and Gentlemen,

9. India is, today, on a very positive trajectory of vibrant economic transformation - at an unprecedented pace. As one of the world's fastest growing economies, we face the challenge of maintaining the growth momentum, continuing to create jobs and opportunities and ensuring that expansion and growth takes place in an inclusive manner. My government has, to this end, launched several new initiatives for infrastructure development, agriculture and rural development, expanding efficient manufacturing capacities, harnessing new technologies, and developing a vibrant services sector. This presents an opportunity for Nepal as well. Increasing job opportunities in India enhance job prospects for

Nepalese citizens owing to our open borders and national treatment provided to each other's citizens. Indeed, several million Nepali citizens are working in public and private sectors all across India.

10. Our region is blessed with the young populations known for their strong spirit of enterprise, dynamism and entrepreneurship. To channelize this energy in the right direction, we must invest in health, education, technology and employment generation. We cannot remain hostage to the political baggage of history and prejudice, nor can we continue to follow policies that have failed to lift our people out of poverty. As sovereign nations, we need to move together to achieve our peoples' aspirations for a better life. We welcome Nepal to be part of India's growth story.

11. Our long-standing development partnership with Nepal is another important pillar of our collaborative ties. It is matter of satisfaction that the small development projects - that we have jointly taken up - are benefiting local communities in Nepal. Roads, bridges, irrigation, and energy are the areas of focus. I am pleased to learn that a number of projects are in different phases of implementation under the Lines of Credit amounting to over US \$ 900 million extended by Government of India.

12. Ladies and Gentlemen, India remains committed to assisting Nepal, as per its priorities, in the post-earthquake reconstruction efforts. We have jointly identified housing, infrastructure, health,

education and culture and heritage as the sectors that we will prioritise for reconstruction - utilising the US \$ 1 billion post-earthquake reconstruction assistance announced by my Government.

13. Enhancing connectivity is yet another shared goal of our two countries and the region as a whole. Development of border infrastructure and connectivity projects with Nepal such as Hulaki roads, cross-border rail links, Integrated Check Posts, cross-border transmission lines is intended to broaden the reach of economic prosperity in the region. It is a matter of satisfaction that the first ever international oil pipeline in South Asia is under construction between India and Nepal. Of course, we need to ensure, through effective monitoring, that implementation of these projects is efficient – so that the fruits of these initiatives can be enjoyed by our peoples as soon as possible.

14. Looking forward, I see tremendous potential for expanding our cooperation in the energy and hydropower sectors in the framework of our Power Trade Agreement. We are augmenting the transmission infrastructure for enhanced supply of power: which would allow Nepal to import power from India. The same infrastructure could then be used for exporting surplus power from Nepal to India once generation projects such as Arun-III and Upper Karnali are completed.

15. Similarly, our cooperation in water resources holds tremendous promise. It is in the collective interest of populations on both sides of the border that our two Governments should work together expeditiously in the area of flood management and irrigation and proceed faster with regard to large multi-purpose projects like Pancheshwar and Sapt Kosi & Sun Kosi.

16. An area where our co-operation is exemplary is defence and security. We are proud of the legendary valour and sacrifice of the Gurkhas in the defence of India. As our security interests are interlinked, we must continue to consult and coordinate closely to safeguard our shared security interests.

Ladies and Gentlemen,

17. India and Nepal have enjoyed a long tradition of academic and student exchanges. India is happy to help Nepal with its human resource development. Our commitment is reflected in the grant of around 3000 scholarships to Nepalese students every year, providing opportunities to study in Nepal and in India. We offer more than 250 scholarships annually for Government and non-Government employees of Nepal for training in technical institutes in India.

18. India recognizes that optimal utilization of water resources is essential for accelerated economic development in Nepal. Accordingly, post-graduate scholarships for courses in hydel power

and water resources management at IIT, Roorkee have been offered to Nepali engineers and experts this year.

19. I am also very happy to announce that from 2017 onwards, Nepali students will have the opportunity to pursue graduate and post-graduate courses in Indian Institutes of Technology on a regular basis. For this, our Institutes of Technology will open their entrance examinations to Nepali students. Aspirants would have the option to write these examinations in Kathmandu.

20. Our common cultural heritage is yet another important dimension of our bilateral ties. Nepal has been a crucible of social and cultural traditions of both the Hinduism and Buddhism. We can do much more to promote tourist flows in both directions and develop the 'Ramayana' and 'Buddhism' tourism circuits. Enhancing air, rail and road connectivity will facilitate tourism and normal movement of people.

21. Our ecological landscape like much else is common and needs to be conserved and preserved. Both India and Nepal have ratified the Paris Agreement on climate change. We must work together with commitment and drive to mitigate the impact of climate change and to promote sustainable development.

22. At a sub-regional level, we have worked out mutually beneficial arrangements for smooth movement of goods from Bangladesh through India to Nepal and Bhutan. The Motor Vehicles

Agreement between Bangladesh, Bhutan, India and Nepal will, no doubt, contribute significantly to the common goal of economic development of the region. The success of this sub-regional co-operation mechanism could make it a model for further initiatives.

23. In the same context, India remains committed to promoting regional cooperation in the framework of the BIMSTEC and SAARC. But mutually beneficial cooperation cannot be promoted under the shadow of cross-border terrorism. We need to act decisively against this scourge on humanity. The international community must work unitedly to thwart and isolate those who use cross border terrorism as an instrument of state policy. No state should be allowed to sponsor or harbour perpetrators of cowardly acts of terror.

24. The open-border brings enormous benefits to our two peoples and facilitates the daily interaction between them – which is a lifeline to many communities on both sides. We must, therefore, be very vigilant and prevent the misuse of our open border by those who do not have the best interests of India and Nepal at heart.

25. In a partnership so rich and diverse in its scope and content, there are bound to be, occasionally, some differences in perceptions. This is absolutely normal. With enlightened leadership in both countries, regular consultations, open dialogue, mutual trust and goodwill, we have managed to overcome such eventualities. I would underscore that it would be crucial, in our common interest,

to stay focused on our shared objective of peace, stability and development for our peoples and our region. I would stress that India's interest is in seeing a united, stable and peaceful Nepal, a Nepal whose people enjoy the fruits of development and peace. India would like to see a prosperous Nepal, optimally harnessing its abundant natural resources. India is committed to assist Nepal in achieving these cherished aspirations of her people.

26. In conclusion, I would like to suggest that India-Nepal co-operation be made a Private-Public Partnership. Government as well as non-governmental institutions, think tanks and individuals across the board would have a contribution to make. They would be equal stake holders in shaping public opinion, analysing prevailing conditions and recommending effective strategies for success. I would reiterate that we must not lose sight of our common goals. While we progress with each individual initiative, programme and project - big or small - we must take care to see that our sights remain fixed on the larger picture and long-term goals.

With these words, I thank the Niti Anusandhan Pratishtan, the Nepal Centre for Contemporary Studies and the India Foundation for inviting me here today. I thank you all for your contribution to the strengthening of India - Nepal co-operation and I wish you great success in your further endeavours.

Thank you once again!