



69th REPUBLIC DAY OF INDIA



AMBASSADOR'S MESSAGE

On the auspicious occasion of the 69th Republic Day of India, I extend my warm greetings to the Indian community and our friends in Nepal.

On Republic Day, we remember the huge contribution made by our founding fathers, who enshrined in our Constitution the tenets of an inclusive democracy and pledged India to march forward as a Sovereign, Socialist, Secular, Democratic Republic. Our socio-political systems have ensured inclusive growth and development cutting across the diverse sections of our society. India's economic growth, youth base and technological advancements have helped India make its mark on the global stage.

In our quest for progress, 'Sabka Saath Sabka Vikas' has been the guiding motto. We also share this sentiment in our relations with our friendly neighbour Nepal. India remains committed to stand shoulder to shoulder with Nepal as it progresses towards achieving its political, economic and societal transformation goals. The last year saw India-Nepal engagements at the highest level with the State Visits of Rt. Hon'ble President of Nepal Ms. Bidya Devi Bhandari and Rt. Hon'ble Prime Minister of Nepal Mr. Sher Bahadur Deuba to India and the visit to Kathmandu by Shrimati Sushma Swaraj, Hon'ble Minister of External Affairs of India. Our partnership in the areas of energy, infrastructure development, investment and trade continued to grow. We value the close ties that have existed historically between our people and are sure that our multi-faceted engagements will only go from strength to strength.

On this very special day, when India celebrates her Constitution and in the year when we are celebrating 70 years of India-Nepal diplomatic ties, I am glad to see India and Nepal in a close partnership on the path to prosperity.



(Manjeev Singh Puri)

HIGH-LEVEL ENGAGEMENT



VISIT OF PRESIDENT OF NEPAL TO INDIA

At the invitation of President of India, Shri Pranab Mukherjee, Rt. Hon'ble Bidya Devi Bhandari, President of Nepal was on a State visit to India from 17-21 April, 2017. This is the first State visit of the President of Nepal after assuming office of the President in October 2015.

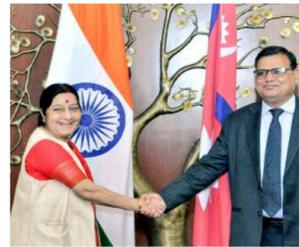
President of Nepal reiterated Nepal's commitment to further strengthen the age-old, close and friendly ties between the two countries in diverse sectors. She conveyed the good wishes of the people and Government of Nepal to the friendly people of India.



VISIT OF PM OF NEPAL TO INDIA

The Rt. Hon'ble Mr. Sher Bahadur Deuba, Prime Minister of Nepal was on a State visit to India from August 23-27, 2017, at the invitation of Prime Minister of India, Shri Narendra Modi. This is Prime Minister Deuba's landmark fourth visit to India as the Prime Minister of Nepal.

The two Prime Ministers urged a constructive pursuit of a forward-looking development agenda wherein each country could learn from and contribute to the social and economic initiatives of a transformative nature.



VISIT OF EAM OF INDIA TO NEPAL

External Affairs Minister Shreemati Sushma Swaraj visited Nepal to attend the BIMSTEC Foreign Ministerial Meeting on 10-11 August 2017. This was EAM's 6th visit to Nepal

Progress in the reconstruction activities and cooperation in hydro power sector also came up for discussion during visit. The immense possibilities for cooperation in the sectors of infrastructure, connectivity and energy was noted.

INDIA - NEPAL PARTNERSHIP ON THE PATH TO PROSPERITY



'EASING TRADE & TRANSIT' INTEGRATED CHECK POSTS

India is Nepal's largest trading partner. Integrated Check Posts at India-Nepal border are being developed to facilitate smooth movement of goods and traffic and thus further strengthen trade, commerce and economic cooperation between the two countries. These ICPs are being constructed at four places along the India-Nepal Border viz. at Birgunj, Biratnagar, Bhairahawa, and Nepalgunj in Nepal at a total cost of about NRs. 8248 million. These ICPs will have mirror facilities on the Indian side at Raxaul, Joghani, Sunauli and Rupaidiha. The ICPs will have Customs and Immigration facilities, Security and

Scanning equipment, Currency exchange booths, Internet facility, Cargo processing units, Warehouse and Cold storage, Health and Quarantine facilities, Banks, cafeteria and other public utilities at one location under CCTV supervision. The ICPs at Raxaul and Joghani on the India side have been completed. During the last year, construction of ICP Birgunj has been completed and soon it would be operationalized. Thus in 2018, the traders, industries, and passengers going from Nepal to India and vice versa will experience an ease in doing business across the border.



'CONNECTING PEOPLE' HULAKI RAJMARG PROJECT

Hulaki Rajmarg Project is key infrastructure development project in Terai region of Nepal. The Government of India and the Government of Nepal, committing to facilitate better connectivity within Nepal and between Nepal and India, decided to upgrade the 1800 Km of roads in 2 phases. Under Phase-I, 88.80 Km roads in Western Terai have already been completed and being used by the people since January 2017. The construction of another 300 Km in 14 road packages is underway with Government of India's grant assistance

worth NRs. 8,000 million under the Go-funded, GoN-implemented modality. Under this modality, National Highway Infrastructure Development Corporation Limited, an Indian PSU is supervising the construction of roads as consultant. During last year, contracts for all these 14 packages have been awarded and the mobilization funds worth NRs. 1352 million have also been provided to the Government of Nepal and the construction of various roads is making steady progress.

'UJJWAL NEPAL' POWER TRANSMISSION LINE

Nepal has huge potential of economic growth by harnessing its water resources to generate hydropower and through cross border electricity trade with India. Nepal's long term electricity master plan envisages a number of high capacity cross-border inter-connections between India and Nepal. The Government of India has been supporting in realization of Nepal's long term



objective by construction of various cross-border transmission lines between India and Nepal. In 2013, GOI approved NRs. 464 million as grant assistance for mid-term augmentation of the following three lines: i) Kataiya-Kushaha DC Line ii) Raxaul-Parwanipur DC line and Tanakpur-Mahendranagar-Transformer upgrading to 50 MVA 2x50 MVA. In 2017, the Raxaul-Parwanipur and Kataiya-Kushaha lines have been made ready for operation and an additional 100 MW of power can be now imported through them. In February 2016, after inauguration of the first high capacity 400kV cross-border line by the Prime Ministers of India and Nepal, the total power supply to Nepal stood at about 400 MW. After commissioning of 400 kV Substation at Dhalkebar (Nepal), the Muzaffarpur-Dhalkebar 400 kV DC line would be operating at its rated voltage thus leading to increase in power transfer to Nepal by additional 300-400 MW. Currently these cross-border transmission lines are exporting power to Nepal but can equally be used by Nepal to export power to India in future.



'PROMOTING PILGRIMAGE' PASHUPATI DHARMASHALA

India and Nepal share a unique historical cultural tradition. Every year, thousands of pilgrims from India come to Nepal on religious and spiritual quest. The Government of India is constructing a Dharmashala at Pashupati area, Kathmandu with grant assistance of NRs 220 million to provide comfortable accommodation facilities to a large number of pilgrims visiting Pashupatinath temple every year. The

Dharmshalahas provision for dormitories, family rooms, kitchen, dining hall, library and some multipurpose halls to meet the requirements of the groups and families on pilgrimage. In last year, the construction of the Dharmashala made significant progress. In 2018, the Dharmshala will be ready for use by the people and would be another milestone in India-Nepal cultural and religious ties.

'STRENGTHENING INSTITUTIONS' ELECTORAL SUPPORT

The Government of India has been providing necessary support to the people and the Government of Nepal in transition towards a modern democratic republic state. During the last year, Nepal underwent elections for local, provincial and federal parliament. The Government of India gifted 86 vehicles to the Election Commission of Nepal as India's logistical support worth NRs 89.17 million to ensure smooth and successful conduct of these elections. Similarly, in 2013, during the Constituent Assembly elections in Nepal, the Government of India had gifted 48 vehicles to the Election Commission, 216 vehicles to the

Nepal Army and 585 vehicles to security agencies for conducting successful elections. In 2016, the Government of India had gifted 17 fire tenders to the Government of Nepal towards modernizing the fire safety in Nepal by enhancing the fire-fighting capacity of municipal administration in different parts of Nepal. The Government of India has been regularly strengthening access to education and health facilities in Nepal by providing vehicular support to various schools, health posts and social organizations. Till date, 662 ambulances and 130 school buses have been gifted.



'HARNESSING HYDROPOWER' ARUN-III PROJECT

Out of Nepal's potential of 83,000 MW, 44,000 is economically exploitable. 28 Survey licenses have been issued to different Indian firms for hydropower projects in Nepal with generation capacity of 8249 MW. Major among these are Arun-III (900 MW), Upper Karnali (900MW) and Upper Marsyangadi (600 MW). Located in Sankhuwasabha District of Nepal, Arun-3 HEP is a run of river scheme with storage capacity envisaged for installation of four generating units of 225 MW each giving a total installed capacity of 900 MW. The Arun-3 HEP project was allocated to SJVNL, an Indian PSU based on International Competitive Bidding (ICB) by Government of Nepal in March 2008 and the Project Development Agreement (PDA) was signed on 25th November 2014 on Build-Own-Operate-Transfer (BOOT) basis for 25 years term from Commercial Operation Date (COD). For

Project development, SJVNL has promoted an independent company in Nepal, under the name and style - "SJVN Arun-3 Power Development Company (P) Ltd. (SAPDC)". Total development cost of the project along with transmission lines is estimated to be NRs 1,08,237 million. In 2017, the Government of India has approved investment of INR 57237.2 million for the project. Acquisition of all the private land has been completed and the Government of Nepal has also cleared total 123,218 hectare forest land required for generation portion of the project. As per Investment Board of Nepal, the project would immensely benefit the people and the Government of Nepal by providing employment to the locals, free power, education and healthcare facilities near the project site, opportunities for the local entrepreneurs and local industries etc.