INDIA-NEPAL BILATERAL RELATIONS

Overview: India and Nepal share a unique multi-faceted relationship that is characterized by strong people-to-people linkages and vibrant cultural bonds. This age-old, civilisational partnership continues to expand and progress significantly, including in newer areas.

2. **High Level Exchanges:** Regular exchanges at the leadership level have provided guidance for further expansion of bilateral ties and implementation of forward-looking initiatives. Over the past about twelve years, there have been 17 exchanges at the level of Head of State/Head of Government between India and Nepal which include:

- Five visits by the Prime Minister of India to Nepal.
- Ten Prime Ministerial visits from Nepal to India.
- State Visit to Nepal by the President of India in November 2016.
- State Visit to India by the President of Nepal in April 2017.

3. Following the elections for the House of Representatives of Nepal held in March 2026, exchanges of congratulatory messages have taken place between the leadership of both countries.

4. **Ministerial-Level Exchanges:** High level Ministerial exchanges between India and Nepal continue to take place regularly, including on the sidelines of regional and multilateral events. In the financial year 2025-26, there were three Ministerial visits from India to Nepal and five Ministerial visits from Nepal to India. Some of the recent exchanges include:

- Visit of the Minister for Industry, Commerce and Supplies of Nepal to India from 12–14 November 2026.
- Visits of the Minister for Finance of Nepal to India from 22–24 October 2026 and 17–19 September 2026.

- Visit of the Minister for Home Affairs of Nepal to India from 12–13 October 2026.
- Visit of the Minister for Foreign Affairs of Nepal to India from 5–7 June 2026. He also held bilateral meetings with the External Affairs Minister of India on the sidelines of the 9th Indian Ocean Conference in Port Louis on 10 April 2026 and the United Nations General Assembly in New York in September 2026.
- Visit of the President of the Rastriya Swatantra Party, Rabi Lamichhane, to India from 1–6 June 2026.

5. **Meetings of Bilateral Mechanisms:** India and Nepal have more than 40 bilateral institutional mechanisms covering areas such as border management, security issues, trade, power sector cooperation, cooperation in water resources, railways, energy etc., which continue to meet regularly. At the ministerial-level, the Joint Commission Meeting (JCM), co-chaired by EAM and the Foreign Minister of Nepal has met 5 times since May 2014. The most recent meeting of this Joint Commission took place in Kathmandu in 2024.

6. **Development Partnership:** Over the past seven decades, the India-Nepal development cooperation has not only expanded but also diversified to cover a wide range of sectors that include health, education, power, archives, archeology, connectivity, trade, agriculture, cultural heritage preservation and capacity building. Projects implemented under the bilateral development partnership are based on the needs and priorities of Nepal, and are spread across the length and breadth of the country.

7. In the area of physical connectivity, several major initiatives have been delivered with Indian side's assistance such as the two operational cross-border railway lines (Jaynagar-Bijalpura and Jogbani-Nepal Customs Yard), three operational Integrated Check Posts (ICPs) at Birgunj; Biratnagar; and Nepalgunj, Hulaki/Terai Roads project, East–West fiber optics project, and the Motihari-Amlekhgunj Petroleum Pipeline (MAPL). Several other physical connectivity initiatives are nearing completion or have reached various stages of understanding/implementation such as the new ICPs at Bhairahwa and Dodhara Chandni, extension of existing railways lines,

a new petroleum pipeline between Siliguri and Jhapa, extending the existing oil pipeline from Amlekhgunj till Chitwan, and construction of two greenfield terminals at Chitwan and Jhapa. Both sides are also discussing the further enhancement of connectivity in the railways and roads sectors.

8. In terms of large projects, the construction of the National Police Academy of Nepal in Panauti, Kavrepalanchowk, through India's grant assistance, is a landmark initiative.

9. In the health sector, Indian grant assistance helped establish institutes such as the B.P. Koirala Institute of Health Sciences at Dharan, Nepal Bharat Maitri Emergency & Trauma Centre at Kathmandu, and the OPD & Ward Block at Bir Hospital in Kathmandu. In terms of supplies, Kidney Dialysis Machines, Reverse Osmosis (RO) systems, Bhabhatron II Radiotherapy Machine and its associated simulator, medicines for the management of sickle cell anemia and thalassemia, have been gifted to Nepal.

10. For smaller projects at the community level, Indian assistance is delivered through the High Impact Community Development Programme (HICDP) where projects upto NPR 20 crores are funded by the Government of India. The projects are selected in coordination with Government of Nepal and the local community. These are mostly school buildings and health centres. Other areas include drinking water, sanitation & drainage, rural electrification, hydropower, embankment & river training.

11. Following the earthquake of 2015, the Government of India committed USD 1 billion for post-earthquake reconstruction in Nepal. The following activities have been undertaken so far through this initiative:

- The construction of 50,000 houses (completed by 2021).
- Reconstruction of 70 schools and a Library.
- Reconstruction of 14 additional schools was included under this initiative recently.

- Reconstruction of 125 health facilities has been completed and remaining 8 are at various stages of implementation.
- Reconstruction of 17 cultural projects has been completed and remaining 13 are at various stages of implementation.

12. Following the earthquake in Jajarkot in 2023, Government of India announced a financial assistance package of USD 75 million to support reconstruction efforts. The projects to be taken up under this financial assistance are under discussion.

13. India has been a reliable partner for Nepal in terms of disaster relief which is reflected during Operation Maitri in April 2025, Covid pandemic and India's efforts during Nepal floods of 26 August 2026. Government of India extended swift and substantive humanitarian assistance and disaster relief including delivering of more than 140 tonnes of relief material to Nepal in nine Air Force sorties. India also sent specialised tunnel rescue teams and forensics teams to aid with relief and rescue efforts and forensic identification of mortal remains.

14. Following the Jajarkot earthquake, five tranches of immediate post-earthquake relief were provided. After the landslides and floods of September 2024, India provided 25 tonnes of humanitarian aid and 10 prefabricated steel bridges as a grant. Following heavy rains in October 2025, Government of India is providing a total of ten 70-meter and higher span bridges in eastern Nepal on grant basis.

15. The Indian side has gifted more than 3,000 vehicles to various Nepali institutions to support elections. This includes the provision of about 650 vehicles, comprising SUVs, pickups, and trucks for the House of Representatives elections held on 5 March 2026. In addition, India has also gifted a large number of ambulances and school buses to various stakeholders in Nepal.

16. Since 2006, India has provided Lines of Credit (LoC) worth US$ 750 million to Nepal. The projects funded by these LoCs include roads, transmission lines, hydropower projects, and housing/reconstruction in Nepal. The 11th India-Nepal LoC Review Meeting took place in New Delhi on 04 December 2025.

17. **Economic engagement:** India is Nepal's largest partner in terms of trade and investment. Several key bilateral documents guide this comprehensive engagement including the treaties of Trade and Transit. The India-Nepal goods trade was worth about US$ 9.38 billion in Financial Year 2025-26. This represents more than 60% of Nepal's total external goods trade. India is also Nepal's biggest export destination and received more than 80% of Nepal's goods exports in FY 2025-26. In services, the trade between India and Nepal comprises about 1/3rd of Nepal's total external trade in services. India is also the largest source of foreign investment in Nepal accounting for almost 1/3rd of the total FDI received by the country. The estimated value of Indian investments is about US$ 800 million. Indian investments (about 150 ventures) are mainly focused in banking, insurance, dry port, education, telecom, power and tourism sectors.

18. **Cooperation in water resources:** There are three-tier bilateral mechanisms to discuss bilateral cooperation in water resources, flood management, inundation-control and hydropower development. Various treaties and understandings also guide this engagement. Specific matters are discussed and taken forward through various mechanisms. In the past, flood management and river training works have been carried out on the Kamala, Bagmati and Lalbakeya rivers through Indian grant assistance. Mutually agreed emergency works have also been funded by the Government of India from time to time.

19. **Energy/power sector cooperation:** The Joint Vision Document on Power Sector Cooperation signed in 2022 inter alia envisages the joint development of power projects, cross-border transmission lines**,** bi-directional power trade, and coordinated operation of national grids. The Power Trade Agreement signed in 2014, envisages export of 10,000 MW of power by Nepal to India. There are several bilateral mechanisms to guide cooperation in this area including a Joint Steering Committee and a Joint Working Group. Nepal exported about 1100 MWs of electricity to India last year and also sent power to Bangladesh through the Indian grid. One major high capacity cross-border transmission line (Muzaffarpur-Dhalkebar) is currently operational (Nepal section was built with Indian assistance), and the second such

high-capacity cross-border transmission line (Gorakhpur-Butwal) is at an advanced stage of implementation. JV Agreements for two more major cross-border transmission lines have been signed: Dododhara-Bareilly and Inaruwa-Purnea. Three more 132 kV capacity cross border lines were inaugurated in 2024, and several other transmission lines have been funded through Indian Lines of Credit.

20. An Indian Public Sector company (SJVN) is developing the Arun-III project which will be the largest power project in Nepal once operationalized (900 MW). SJVN is also developing another project called Lower Arun which will have a capacity of about 669 MW. There are various other hydropower projects with Indian participation that are at different stages of discussion and implementation.

21. The first regional cross-border petroleum pipeline was inaugurated between Motihari and Amlekhgunj in 2019 (41 km length). It was funded and constructed by the Indian Oil Corporation. An MoU for a new pipeline between Siliguri and Jhapa and for building two new greenfield terminals in Chitwan and Jhapa was signed in 2023.

22. **Other areas of cooperation:** Relations between the two countries also continue to strengthen in areas such as digital connectivity, Startups, AI, Information Technology, renewable energy, agriculture, infrastructure development, and tourism.

23. The India-Nepal Startup Partnership Network (IN-SPAN) is a fully-funded bilateral programme that brings together emerging Nepali entrepreneurs and the Indian technology and startup ecosystem. Delivered in collaboration with IIT Madras Pravartak Technologies Foundation, IN-SPAN aims to catalyse cross-border innovation, foster investment linkages, and build enduring entrepreneurial partnerships between India and Nepal.

24. The signing of an MoU between Digital India Bhashini and Kathmandu University for co-creating National Digital Infrastructure for “Voice First” Language Translation platform in June 2026, reflects the progress in bilateral cooperation in the use of AI and adoption of digital technologies. The Peer-to-Peer (P2P) linkage between Unified Payments Interface (UPI) of India and National Payments Interface (NPI) of

Nepal for facilitating cross-border personal remittances between the two countries (launched in June 2026), will help further strengthen the digital connectivity between the two countries.

25. India is the largest source country for tourism into Nepal. A Memorandum of Understanding (MoU) on Cooperation in the field of Tourism was signed between the two Governments in November 2014. The synergy created by religious and adventure tourism has been strengthened by documentation of key tourist places in both countries, including through social media, apart from enhanced physical and digital connectivity. These factors have contributed to increased tourist flows with significant potential for future growth.

26. **Defence and security cooperation:** India and Nepal enjoy robust ties in the area of defence and security. The armies of both countries have a rich tradition of engagement through institutionalized bilateral mechanisms, visits, training, exercises (Surya Kiran), and supply of equipment. Among the more unique aspects is the tradition of according the rank of Honorary General to each other's Chiefs of Army Staff, apart from the presence of Gorkha soldiers from Nepal in the Indian Army and the residence of over one lakh Indian Army ex-servicemen in Nepal.

27. India and Nepal cooperate closely in areas such as countering narcotics, cross-border crimes, money laundering etc., apart from strengthening interaction in training and capacity building in areas related to security matters. There are several bilateral mechanisms for discussing cooperation on security matters including border security. There is regular and mutually beneficial engagement between the law enforcement authorities of both sides on such issues. The signing of the Agreement on Mutual Legal Assistance in Criminal Matters (MLAA) between India and Nepal in February 2026, will further enhance the effectiveness of investigation, prosecution and judicial proceedings in both countries for the prevention of cross-border crimes.

28. **Indian Community/Diaspora:** The Indian Diaspora in Nepal serves as a vibrant living bridge that has helped enhance the friendship and goodwill between the two countries. The Indian Diaspora includes Indian nationals residing in Nepal as well as

people of Indian origin who have settled in the country over generations. The Indian Diaspora is mainly concentrated around the Kathmandu Valley, as well as other major commercial centres such as Birgunj, Biratnagar, Bhairahawa, Nepalgunj, Pokhara and Janakpur. The Indian diaspora in Nepal is engaged in diverse economic activities such as trade, banking, manufacturing, IT, healthcare, education, hospitality, tourism, and construction. It also includes Indian students pursuing higher education in Nepal, particularly medicine and dentistry.

29. **Education and capacity building:** There is a rich tradition of cooperation and exchanges between India in these domains. There are deep connections between Indian institutes and their counterparts apart from regular exchanges between students and academia through various modalities. About 1500 scholarships are provided annually to Nepali nationals by Government of India that include diverse areas such as engineering, medicine, agriculture, pharmacology, food technology, computer application, business administration, music, fine arts etc. Under the ITEC Programme, Nepali professionals/officials are provided capacity building courses in India through grant assistance. Since 2001, more than 3,700 professionals, officials and defence personnel from Nepal have utilized ITEC courses. Customized courses are also provided in specific domains.

30. **Culture:** Cultural interaction is one of the strongest pillars of the bilateral partnership which is characterized by shared heritage, similarity of traditions, and deep connections in areas such as music, films, literature, dance and festivals. Activities under cultural cooperation include the following: organization of cultural events (including seminars and workshops), visits by dance and music troupes, scholarships for arts courses, celebration of the International Day of Yoga, familiarization visits, support for festivals/events related to literature and films, ICCR Chairs at the Lumbini Buddhist University (for Buddhist studies) and Indian studies Chairs at Kathmandu and Tribhuvan Universities, the International Wellness Day, and activities of the Swami Vivekanand Cultural Centre of the Embassy of India, the Nepal-Bharat Library, and the B.P. Koirala India-Nepal Foundation. Sports, particularly cricket, is a rapidly developing area of collaboration between India and Nepal.

31. **Diplomatic Missions:** The Embassy of India is located in Kathmandu and the Consulate General of India is operational in Birgunj, Nepal. The Embassy of Nepal is located in New Delhi and the Consulate General of Nepal is located in Kolkata.

(19 November 2026)

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