

Joint Press Statement on the Official Visit of External Affairs Minister of India, Shri S.M. Krishna, to Nepal (15 – 17 January, 2010)

The Minister of External Affairs of India, H.E. Mr. S.M. Krishna, paid an official visit to Nepal from January 15 – 17, 2010, at the invitation of Hon'ble Ms. Sujata Koirala, Deputy Prime Minister and Minister of Foreign Affairs of Nepal.

2. During his visit, the Minister of External Affairs of India called on Rt. Hon. Dr. Ram Baran Yadav, President of Nepal and Rt. Hon'ble Mr. Madhav Kumar Nepal, Prime Minister of Nepal. He conveyed to them the greetings of the Indian leadership and reiterated that India attaches the highest priority to its relations with Nepal. The Minister of External Affairs said that a warm welcome awaits the President of Nepal during his forthcoming State Visit to India. The Prime Minister of Nepal expressed his deep appreciation for India's consistent support and assistance to Nepal and at the progress made on the decisions taken during his visit to India in August 2009. He reiterated his invitation to the Prime Minister of India to visit Nepal at an early date.

3. The Minister of External Affairs of India called on Rt. Hon'ble Mr. Subas Chandra Nembang, Chairman of the Constituent Assembly and held an interactive discussion with Parliamentarians representing the different political parties in the Constituent Assembly. He also met senior political leaders representing various political parties of Nepal.

4. During his visit the Minister of External Affairs of India held official talks with the Deputy Prime Minister and Minister for Foreign Affairs of Nepal on all aspects of bilateral relations and issues of mutual interest. The Deputy Prime Minister and Minister of Foreign Affairs of Nepal hosted a banquet in honour of the Minister of External Affairs of India.

5. The Deputy Prime Minister and Minister for Foreign Affairs of Nepal extended a warm welcome to the Minister of External Affairs of India. The two Ministers warmly recalled their previous meetings and expressed their satisfaction regarding the age-old, multifaceted relations that exist between Nepal and India and agreed to expand these further. The talks were held in an atmosphere of utmost cordiality and warmth.

6. The two Ministers recalled the official visit of Rt. Hon. Mr. Madhav Kumar Nepal, Prime Minister of Nepal to India in August 2009. The two Ministers reiterated the importance of regular high level bilateral interactions in imparting further impetus to the relationship between the two countries.

7. The two Ministers reviewed the implementation of the decisions taken during the official visit of the Prime Minister of Nepal, Rt. Hon. Madhav Kumar Nepal to India from 18 – 22 August 2009. They noted with satisfaction that several key decisions had been implemented, inter alia:

i The Civil Aviation talks were held on 8-9 September 2009, between the Civil Aviation Secretaries of India and Nepal in which both the sides agreed for the expansion of the air services between the two countries.

ii. The revised Trade Treaty and Agreement on Cooperation to Control Unauthorized Trade were signed by the Commerce Ministers of India and Nepal in Kathmandu on 27 October 2009. These will create new opportunities for enhancing bilateral trade and commercial

relations.

iii. The meeting of Home Secretaries of the two countries in Kathmandu on 6 – 7 November, 2009 which agreed on further steps to enhance cooperation to address matters of mutual interest including shared security concerns.

iv. The Joint Committee on Water Resources at the Secretary-level met in Pokhara on 20-22 November 2009 and discussed all aspects of bilateral cooperation in the field of water resources for the mutual benefit of both the countries. The meeting also finalized the Terms of Reference for the Pancheshwar Development Authority.

v. The 7th Meeting of Bilateral Consultative Group on Security Issues held in Kathmandu on 4 – 7 December 2009 reviewed all aspects of India-Nepal cooperation on defence matters.

vi. In response to the request from the Nepalese side, teams of experts from India have visited Nepal to study the National Museum and Bagmati civilization projects and their reports have been presented.

8. Both Ministers agreed that the recent meetings of the bilateral institutional mechanisms had reinvigorated the bilateral relationship in key areas. The two Ministers agreed that all decisions taken in the framework of these mechanisms should be implemented in a timely manner. They also decided that the other institutional mechanisms should meet as soon as possible.

9. The Government of Nepal expressed its gratitude for the continued assistance from Government of India for development of infrastructure in Nepal. An MoU for construction of Terai roads with Indian assistance at an estimated cost of IRs. 805 Crores was signed by the Minister of External Affairs of India and Deputy Prime Minister and Foreign Minister of Nepal.

10. The two sides expressed satisfaction at bilateral cooperation for human resources development in Nepal. An MoU for construction of a Science Learning Centre with Government of India assistance of IRs 16.6 Crores was signed by the Foreign Secretary of India, the Finance Secretary of Government of Nepal and the Vice-Chancellor of National Academy of Science & Technology.

11. At the request of the Government of Nepal, the Government of India has agreed to provide technical assistance for establishment of a Central Depository System (CDS) in Nepal for development of financial markets in Nepal. An MoU between Nepal Stock Exchange Limited (NEPSE) and Central Depository Services (India) Ltd. (CDSIL), India was signed to implement the project at an estimated cost of IRs. 9.2 Crores.

12. As part of India's continued assistance for growth and development in Nepal at grassroots level, MoUs for electrification of five different VDCs in Nepal at a total cost of IRs. 6.3 Crores were signed.

13. Both Ministers reaffirmed their commitment to promote bilateral cooperation in the hydro-power sector so as to create a win-win situation for the mutual benefit of both countries.

14. The two Ministers discussed security concerns of their respective countries and agreed

that terrorism and extremism were a threat to both countries. They agreed to cooperate closely to end this menace. The two Ministers also discussed ways to enhance bilateral security cooperation to control cross border crimes such as smuggling of fake Indian currency, human trafficking and arms smuggling. The Minister of External Affairs of India conveyed the assurance that India was willing to provide all possible assistance to Nepalese security agencies as per the request of the Government of Nepal. The two Ministers agreed to expedite the finalization of MoU for the construction of the Nepal Police Academy at Panauti with Government of India assistance.

15. The Deputy Prime Minister and Minister for Foreign Affairs of Nepal reiterated that the Government of Nepal will not allow Nepalese territory to be used for any activity against India. Both sides agreed to take all necessary action to preserve law and order and maintain peace and tranquility along the India-Nepal border.

16. The two Ministers directed the Foreign Secretaries to discuss and review the 1950 Treaty of Peace and Friendship with a view to further strengthen bilateral relations.

17. The Indian side reiterated its commitment to assist Nepal for strengthening peace, stability and democratic institutions and for economic development of Nepal.

18. The two Ministers expressed satisfaction at the growing commercial relations between the two countries and agreed on the need for early conclusion of the Agreement on Avoidance of Double Taxation and Bilateral Investment Promotion and Protection Agreement.

19. The Minister of External Affairs of India pointed out that concerns remain about the business environment in Nepal affecting Indian investment and joint ventures. He requested that these issues be addressed urgently and effectively. The Nepalese side reiterated the commitment of the Government of Nepal to take necessary measures for the promotion of an investor-friendly business environment to encourage Indian public and private sector investments in Nepal.

20. The Minister of External Affairs of India visited the sacred Pashupatinath Temple. He met with the Indian priests who represent an age-old religious and cultural tradition that links the Nepalese and Indian peoples.

Kathmandu
January 17, 2010