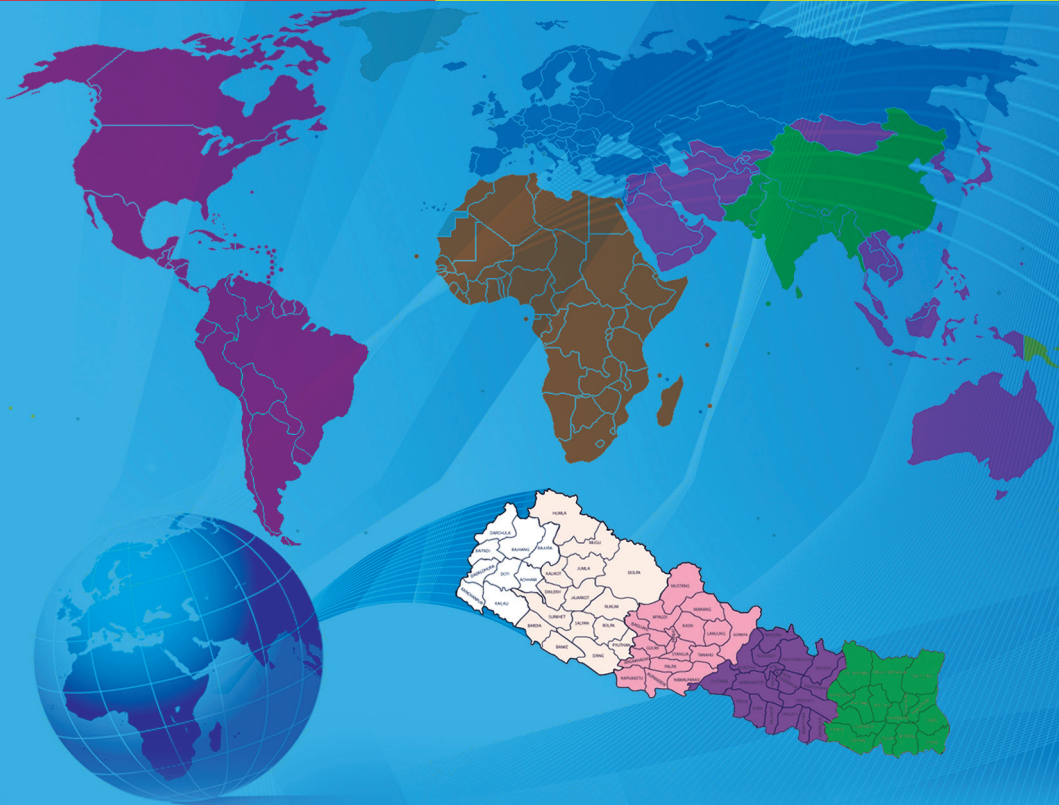


# Foreign Policy of Nepal: Enhancing Effective Participation of Nepal in Regional and International Systems & Risk of Climate Change in South Asia

Two One Day Seminars held in Kathmandu On June 2013 and October 2012



परराष्ट्र मामिला अध्ययन प्रतिष्ठान  
Institute of Foreign Affairs

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Friedrich-Ebert-Stiftung (FES), Nepal



**Foreign Policy of Nepal:  
Enhancing Effective Participation of Nepal in  
Regional and International Systems  
&  
Risk of Climate Change in South Asia**

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**Organized by**  
Institute of Foreign Affairs  
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# Contents

## (Part One)

Foreword	
Concept of the Seminar .....	1
Welcome Address by Mr. Khush Narayan Shrestha, Deputy Executive Director of the Institute of Foreign Affairs .....	4
Keynote Address by Hon. Minister for Foreign Affairs Mr. Madhav Prasad Ghimire.....	6
Remarks by Dr. Rishi Raj Adhikari Executive Director of the Institute of Foreign Affairs .....	12
Paper Presentation on Enhancing <i>Effective Participation of Nepal in International System</i> by Kul Chandra Gautam.....	15
Professor Dr. Sushil Raj Pandey's comments on Mr. Kul Chandra Gautam's paper.....	37
Paper Presentation on <i>Enhancing Nepal's Foreign Policy in the Regional Arena</i> by Madhu Raman Acharya .....	40
Dr Dinesh Bhattarai's comments on Dr. Madhu Raman Acharya's Paper .....	56
Floor Discussions .....	57
List of Participants in the Seminar.....	65

## (Part Two)

### **A Talk Programme On "Climate Change as a Security Risk in South Asia"**

Welcome Address by Mr. Dev Raj Dahal, Head of Friedrich-Ebert-Stiftung-Nepal.....	75
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Keynote address by Dr. Keshab Man Shakya, Hon'ble Minister for Science, Technology and Environment.....	78
Presentation on <i>Climate Change and Security in South Asia</i> by Christian Wagner .....	81
Climate Change and South Asia Closing Remarks by Dr. Rishi Raj Adhikari .....	98
A Summary Report on the Talk Programme <i>Climate Change as a Security Risk in South Asia</i> .....	101
List of Participants in the Seminar.....	105

## Foreword

The Institute of Foreign Affairs has been pointing out the importance of Nepal's active role in regional and international arena to project and build its image in the present globalized world. In view of growing significance of regional diplomacy and rising influence of Asia in new international strategic balance, Nepal should endeavor to sharpen its international and regional policy taking into account the new developments and consolidating the experiences so far happening in the contemporary world.

Impacts of severe climate changes due to rapid pace of melting of snow and rising risks of glacial lake outburst as well as low-land floods have been daunting ecological challenges facing the globe today. Nepal is no exception to this as the country is more vulnerable due to its fragile nature of ecology having a very recently formed young mountain.

Realizing the gravity of the issues as mentioned above, the institute had organized two one-day seminars on "Foreign Policy of Nepal: Enhancing Effective Participation of Nepal in Regional and International Systems" on 14 June 2013 and "Climate Change as a Security Risk in South Asia" on 17 August 2012. This publication includes proceedings of the above seminars for the wider dissemination of the issues to the general public and interested readers.

IFA extends appreciation to Mr. Kul Chandra Gautam, Former Assistant Secretary General, UN, for presenting his paper on "Foreign Policy of Nepal: Enhancing Effective Participation of Nepal in International Systems". Similarly, Mr. Madhuraman Acharya, Former PR to UN, New York deserves our thanks for

presenting the paper on, “Foreign Policy of Nepal: Strengthening Nepal’s Regional Roles”. The institute is thankful to Hon. Madhav Prasad Ghimire, Minister for Foreign and Home Affairs for his keynote speech. Dr. Bhekh Bahadur Thapa, Former Foreign Minister and Ambassador to India and USA and Professor Dr. Lok Raj Baral, Former Ambassador to India deserve thanks for chairing the sessions respectively. Similarly, Professor Dr. Sushil Raj Pandey, Department of Political Science, T.U. and Dr. Dinesh Bhattarai, Former Permanent Representative to UN, Geneva also deserve thanks for commenting on the papers.

Similarly, Dr. Christian Wagner, Director, SWP for Asia, is appreciated for presenting his paper on “Climate Change as a Security Risk in South Asia”. Dr. Keshav Man Shakya, Hon. Minister for Environment, Science and Technology, is very much appreciated for his keynote speech and his active participation throughout the seminar proceedings in spite of his busy schedule. I would also like to thank Dr. Dev Raj Dahal, Head, FES, Nepal for welcoming the participants of the seminar.

I also wish to thank Mr. Khush N. Shrestha, Deputy Executive Director, IFA, Mr. Bhimsen Thapaliya, and Ms. Annie Acharya and Ram Shankar Khadka and other staff members of the Institute for their support to bring the publication in the present form. The institute welcomes comments, suggestions and feedbacks so as to refine the future publications of IFA.

**Dr. Rishi Raj Adhikari**  
**Executive Director**



## **Concept of the Seminar**

### **Foreign Policy of Nepal: Enhancing Effective Participation of Nepal in Regional and International Systems**

The international system as it stands today is the inherent product of the end of the Second World War, followed by the collapse of the erstwhile Soviet Union. The system is said to be liberal but riddled with complexity and needing greater attention to keep it more enduring with justice and peace reigning supreme in the world. Eminent experts believe the current international situation is, indeed, the Post Hegemonic Age. Alongside the premier superpower, the United States, others are also emerging as economic powers in these early years of the 21<sup>st</sup> century. The U.S. is still *numero uno*, far ahead of all other powers in view of its military prowess and technological superiority. Whatever status various nations possess, all of them play their role in the present international system.

Nepal started showing its visible presence in the regional and international system since 1955 although the Nepali people threw out the yoke of the Rana dictatorship in February 1951. Since then, Nepal never turned back from its commitment and appropriate activities in the regional and as well as international arena. It has continued to contribute to the working of the present systems: regional and global. However, the unexpectedly prolonged political transition has hamstrung its strength and energy. However, the political scenario on the domestic front is now developing in a positive direction with a promise of the most likely holding of the democratic elections for constitutional assembly very soon.

Nepal needs to participate effectively both in the international and regional systems. It must think and chalk out appropriate policy strategies to give new inputs to its foreign policy, in particular in the matters concerned with the regional and international systems.

- A greater need is felt to streamline Nepal's participation to strengthen its presence in the UN System by making our accredited missions to the UN System more sensitive, smart and proactive.

- Nepal's universally acclaimed peace-keeping contributions to the UN initiatives have recently fallen to the 8<sup>th</sup> position from the previously held 4<sup>th</sup> position. It is now essential to find out the reasons of the decline and recommend steps and advices to regain the lost position if thought appropriate and reasonable.
- Currently, Nepal occupies the position of Coordinator of the LDCs in United Nations Framework Convention on Climate Change (UNFCCC). Nepal's Permanent Representative to the UN has been appointed as the Under-Secretary General/High Representative for the UN Office of the LDCs, LLDCs and Small Island Developing States (SIDSs). Nepal has completed its much applauded Chairmanship of Global Coordination Bureau of LDCs for the year 2010-2012. During her tenure, Nepal coordinated the Fourth UN Conference on LDCs which adopted the Istanbul Program of Action (IPOA) for the period 2011-2020. As a current member of the Economic and Social Council, Nepal is well placed to raise the genuine concerns and interests of the group for the well-being of the people of this region. Advices, suggestions, opinions etc. are naturally required to promote and advance the interests of this disadvantaged group of nations through the good efforts of the UN System.
- Nepal, as one of the founding member-states of the Non-aligned Movement (NAM) since its inception, played a positive role in the movement since the early sixties to the late eighties of the past century. However, the significance of the movement has visibly declined after the end of the Cold War. Nepal needs to continue participating in this body with seriousness and purpose.
- Today, the globalization process is moving ahead with irresistible pace. Countries like Nepal are at a loss to ascertain benefits, much less reap it, especially in the areas of finance and economy. Nepal should prepare itself to get into the mainstream of this process.
- Today, the Group of 20 (G20) plays the domineering role in the global finance and economy. The total GDP of the G 20 is estimated at about 90 percent of the total GDP of the globe. Nepal as a coordinator of the least-developed countries should make its efforts to make the G20 listen to the justified and judicious needs and demands of this enfeebled group of nations.
- Nepal's inspiring presence and lead role in the formative period of the South Asian Association for Regional Cooperation (SAARC) have won appreciation from neighbors and friends. However, SAARC

at its present state is unable to move on to fulfill the wishes of its founding fathers to bring peace and prosperity, leading to sustained stability and security in the region. It is undeniable that in its initial years SAARC had achieved tangible progress. Potential areas for cooperation need to be identified and another strong push is needed to take this important body forward.

- Nepal joined BIMSTEC in early 2003. However, its activities and programs look passive at the moment. This regional grouping as it includes the member-states of both SAARC and ASEAN may work as a link between the two regional organizations of South Asia and South East Asia. It is advisable that Nepali diplomacy put in more tact and intelligence to enhance capability of SAARC to make socio-economic advancement through the lesson learnt from the practice of ASEAN.
- Nepal should endeavor to be admitted as observer status to the Shanghai Cooperation Organization as all our neighbors have become either as observer member or dialogue partner. Last year, Afghanistan has been admitted as an observer member. SCO has been emerging as an Asian economic bloc and as such its contribution for economic cooperation looks quite bright and optimistic. Similarly, Nepal's presence should also be enhanced in other high level Asian forum like Boao Forum for Asia (BFA).
- As a coordinator of the Least Developed and Landlocked countries as well as Small Island Developing States, Nepal should take the lead in the group of "77" and play a vital role to get the UN resolutions passed for the betterment of the above countries.
- Nepal's role in the Bretton Wood institutions and other international financial institutions should be enhanced so as to augment the resources for Nepal's development efforts. Specific attention may also be paid to get the greater and enlarged involvement of ADB for speedy augmentation of the resources required for the development of Nepal.
- Now, foreign trade is taken as the lifeline of the globalization and economic development. Nepal's membership to the World Trade Organization needs to be considered as the fulcrum to advance the trade and commercial interests of Nepal and as such it needs to explore ways to derive benefits provided to the LDCs and LLDCs.

Welcome Address by  
**Mr. Khush Narayan Shrestha, Deputy Executive Director  
of the Institute of Foreign Affairs**

**Mr. Chairman,  
Chief Guest Hon. Foreign Affairs Minister Mr. Madhav Prasad  
Ghimire,  
Former Foreign Minister Dr. Bhekh Bahadur Thapa,  
Foreign Secretary Mr. Durga Bhattarai,  
Distinguished Participants,  
Ladies and Gentlemen,**

It is my privilege to extend hearty welcome to you all for your kind presence at this important seminar on “Foreign Policy of Nepal: Enhancing Effective Participation of Nepal in Regional and International Systems”, being held here today.

The changed political scenario of Nepal and the ever-rising expectations of the Nepali people signal us to also take up a pragmatic approach in our dealing with regional and international organizations. We feel the urgent need to strengthen our participation in the regional and international bodies not only to elevate the prestige and dignity of our motherland but also streamline economic sources for the development of our country. Today, economic diplomacy is considered as a vital link in the conduct of foreign policy of every country. As such, Nepal needs to strive hard for mobilizing its state and non-state actors towards this end.

In regard to this matter the institute is organizing this seminar today, comprising two sessions: one on “Enhancing Nepal’s role in the international organizations” and other on “Strengthening Nepal’s Regional Roles”. Mr. Kul Chandra Gautam, who served the UN Systems (UNICEF) for a long time in the capacity of senior official, and Mr. Madhuraman Acharya, former Foreign Secretary and Nepal’s former Permanent Representative to the UN, New York, will make their presentations respectively. The first session will be conducted

under the chairmanship of Dr. Bhekh Bahadur Thapa, Former Foreign Minister and Nepalese Ambassador to US and India. Prof. Lok Raj Baral, who taught political science at TU for a long time and also served as Nepali Ambassador to India will chair the second session. The commentators for the two papers will be Prof. Dr. Shushil Raj Pandey, of TU Political Science Department and Dr. Dinesh Bhattarai, former Permanent Representative to UN, Geneva, respectively for the two sessions.

On behalf of the institute, I would like to extend my heartfelt gratitude to the eminent chairpersons, speakers and commentators for accepting our invitation to participate in this seminar.

I would once again like to express my heartfelt thanks to all distinguished participants and invitees for attending this seminar. Once again I wish to thank today's Chief Guest Hon. Home and Foreign Minister Mr. Madhav Prasad Ghimire, for kindly accepting our invitation to inaugurate the seminar and deliver the Keynote address.

**Thank you.**

Keynote Address by  
**Hon. Minister for Foreign Affairs**  
**Mr. Madhav Prasad Ghimire**

**Chairperson of the Inaugural Session,  
Distinguished Paper Presenters and Commentators,  
Distinguished Participants,  
Friends from the Media,  
Ladies and Gentlemen.**

I feel delighted to be here with you this morning and share my view on an important topic of much relevance to Nepal. I would like to appreciate the Institute of Foreign Affairs and Friedrich-Ebert-Stiftung for jointly organizing this seminar. In a regionalized and interdependent world we are living in today, the future of our nation, particularly its security, peace, and prosperity, depends upon how effectively we can integrate our economy and the people into the modern economy of the world in a spirit of partnership and cooperation. Our success depends upon how we can organize ourselves with effective policies and institutions and a commitment to good governance, rule of law, justice, inclusiveness and equality in order to draw attention of the international community positively towards our interests and concerns. Our foreign policy goals and priorities cut across several issues on the domestic front and transcend the border to project our national interests abroad through various interlocutors, forums and mechanisms. A deeper understanding of the outside world and the emerging issues, scenarios and challenges in relation to our own situation and defined national interests, puts us at ease in matching the common interests to ensure our share of the pie in the global play.

The core values of our foreign policy which have found eloquent expression in the Constitution are independent of the changing context of time. The nation as a whole should mould itself into a behavior in conformity with these values and ensure our dealings with the outside world, including the neighbors, accordingly, not only at the diplomatic level but at all levels of interactions

in the international field. Safeguarding sovereignty, territorial integrity and independence of the country has strong correlation with faithful adherence to the principles and purposes of the UN Charter, the principles of international law, the values of non-alignment and maintaining an equal distance, coherent and consistent relationships with the neighbors. This also calls for promoting peace and security on an institutionalized basis regionally and globally to ensure mutual support and cooperation with all countries of the world.

The socio-economic landscape of the world is changing. More and more countries of the world are coming together in strengthened partnerships under various regional and international forums and mechanisms to advance mutual interests. Advancement in science, technology and innovation and their increased diffusion into the society across the world have enhanced prospects for shared progress and prosperity. At the same time, unsustainable consumption and production practices, continued existence of abject poverty, coupled with pervasive inequality and discrimination, as well as poor observance of the rule of law and good governance have brought unprecedented challenges putting serious questions to sustainable development. The world has witnessed food, fuel and financial crises and their insidious impact on global order, including the brunt of these crises on the poorer segment of the populace. The manifestation of climate change and increased frequencies and magnitudes of disasters have heightened vulnerability and posed threats to safeguarding the developmental gains achieved so far. That is why an imperative lies before the world community to work together for a common destiny. There is a growing emphasis on 'one world: one sustainable development agenda' and ensuring inclusiveness of all human societies in the process, irrespective of their level of development. Integration of the three dimensions of sustainable development—economic development, social development and environmental protection, and eradicating extreme poverty from the face of the earth in pursuit of shared prosperity, have moved to the centre stage of the development discourse.

Ladies and Gentlemen,

Nepal is passing through a transition from conflict to sustainable peace, and the primary responsibility of achieving socio-economic transformation as desired by the people lies with the State itself. Since we have a limited productive capacity, we have been actively promoting partnerships with the international community to sustain our development efforts. There are internationally agreed development goals and programs of actions specifically designed to overcome the structural difficulties faced by the LDC and LLDCs like Nepal, and we should be able to take full advantage of these available opportunities,

enhancing our negotiating power and level of contacts and interactions in the outside world at the bilateral, regional and global levels. Nepal must work hard to eradicate poverty, hunger and deprivation – the potential reasons for conflict – by mobilizing all available resources at its disposal. In order to carry on a sustained and robust poverty eradication effort, we need to aim at a broad-based inclusive and strong economic growth along a sustainable path.

It is high time to mainstream the set priorities of the Istanbul Programme of Action for the decade of 2011-20, the internationally agreed sustainable development agenda for the LDCs, into our national plans and strategies and move forward for achievement of the overarching goal of graduating into a middle income country. It is necessary to ensure scaled-up support from the UN and international organizations, international financial institutions, funds and programmes, regional organizations as well as all bilateral development partners in order to graduate Nepal from the LDC category by 2022 as per a recent decision of the Government of Nepal. Henceforth, our aim should be to enhance productive capacity of the economy through structural transformation, overcoming the inherent constraints as well as mitigating the risks and vulnerabilities.

Concerted efforts based on partnership, good governance and rule of law are required to increase the productive capacity and create an atmosphere for a stronger inclusive growth and development. For this, durable peace, pragmatic policy and strong democratic political institutions that can deliver to the people are prerequisite conditions. Holding free and fair elections to a new Constitution Assembly that can finish the constitution-writing and the remaining task of the peace process in order to pave the way for a transformed Nepal, is therefore the paramount responsibility of the present Government, which we are committed to fulfill by November this year after making all necessary preparations.

Mr. Chairman,

Many problems confronting the global society today transcend the national borders, There are many prospects of development which can be better harnessed for the benefit of human beings through synergy, cooperation and collaboration at the regional and international levels. This is the way of the rapidly globalizing and interdependent world, but it is not smooth at all.

International and regional systems are the creations of the nation-states on a voluntary basis for fulfillment of mutual interests. Through them, important milestones have been achieved in advancing the causes of peace and security, development and human rights at a global scale. However, the



international system represented by heterogeneous group of countries with diverse interests is not perfect. I think that the best way to maximize benefits from such a system is to remain watchful to the opportunities at stake and be responsive to them with informed choices.

As diplomacy is the main tool of implementing foreign policy abroad, those who handle them should be armed with requisite knowledge and experience as well as good negotiation and coordination skills. Training and grooming of the Foreign Ministry cadres with a view to developing them into professional and responsive diplomats capable of representing the State efficiently and effectively in their accredited workplaces, has increasingly come to our attention. I believe that only experienced diplomats with insights and acumen can better represent the interests of Nepal in the international arena. We are currently engaged in reviewing relevant parts of the foreign policy and the conduct of diplomacy for greater clarity, coherence and consistency so that overall capacity of the State in these important sectors could be improved. And, in this respect, we will be filling all the vacant ambassadorial positions abroad as early as possible.

Foreign policy can be carried out successfully when an array of stakeholders, including the Government line agencies, the non-government agencies, the private sector and the civil society organizations work in a continuum from domestic to the international fields coherently and consistently. Pursuing our national interests through the defined areas of economic diplomacy, namely promotion of foreign aid, international trade, tourism, foreign employment and foreign investments, demands a strong culture of working in tandem for results and achievements.

We repose an unflinching faith in the UN Charter and believe in the centrality and indispensability of the United Nations as the global multilateral organization for maintaining global peace and security, shaping the global development agenda and ensuring human rights, freedom and liberty to all the people of the world. We have been contributing troops to the peacekeeping missions since the very beginning. Our commitment to responding to any call for increased troops and serving with high degree of professionalism in peacekeeping operations should remain unabated in the future. This will provide good exposure to our national army personnel and earn respect for the country. Nepal should strive for greater role and increased memberships in the various UN organs, funds, programmes and treaty bodies to articulate its interests and concerns on one hand, and contribute to the global common endeavour on the other. From Nepal's point of view, the development concerns of mountain areas, full implementation of Istanbul Programme

of Action, improvement of connectivity and transit transport and trade facilitation, eradication of extreme poverty and mitigation of and resilience to vulnerability of climate change and disasters, should be inclusively and adequately reflected in the post-2015 development agenda. After all, these are the questions of inclusiveness, equity and justice. We call for special and differential treatment to the LDCs in accordance with their unique problems and challenges.

Being a member of the Bretton Woods Institutions and the WTO, we need to derive all the benefits which we deserve in our capacity as an LDC. The role of the international and regional financial institutions in providing the much-needed development finance is crucial for Nepal in taking a forward momentum towards the goal of graduation. We need to create a stronger voice through the Group of 77 plus China as well as the Group of LDCs for an early conclusion of the Doha Development Round for the least developed countries, allowing a clear and predictable duty free and quota free market access to the goods and services of the LDCs, ensuring a full waiver in services of the LDCs and an extension of the TRIPS for the LDCs until their status is changed.

Nepal believes that regional cooperation and regional integration of relevant policies, institutions and infrastructure create synergy for enlarging the dimension of economic development and promotion of trade. This will lead to increased prosperity and well being of the people. As member of SAARC and BIMSTEC, Nepal is committed to contribute to the regional cooperation process in all possible areas, including the improvement of infrastructure connectivity, increasing the volume of trade, tourism and investment, enhancing socio-economic progress and promoting culture and people-to-people contacts. Nepal is poised to host the SAARC and BIMSTEC Summits when the turn comes over its shoulder in the future. We also keep an open mind to join other burgeoning regional organizations in and around our region, which include Shanghai Cooperation Organization, Asia Cooperation Dialogue and Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM). We are in favour of promoting South-South and triangular cooperation for enhanced flow of funds, modern technology and resources to ensure a strong, resilient and sustainable development.

In conclusion, as we embark on the next budgetary and planning cycles, we will have to face twin challenges. The first one is completing the peace and constitution drafting processes after holding free and fair elections to the Constituent Assembly. The second challenge is to revitalize the economic

growth rate and try to restore it to around seven percent in the coming fiscal year, and hopefully more in the future, for taking momentum towards graduation from LDC status. Nepal has established cooperative relations with several countries of the world at the bilateral, regional and international levels. As poor country mired in poverty and emerging from conflict, Nepal is in need of bringing greater clarity, consistency and coherence into its foreign policy and gearing its diplomacy for better performance and results to serve the best interests of the nation. We need to develop and institutionalize a clear view of the benefits we can derive by being party to the ever-evolving international and regional systems and the obligations created thereof. The situation calls for increasing the capacity of all stakeholders involved in the successful implementation of our foreign policy and economic diplomacy.

**I thank you all for your kind attention!**

Remarks by  
**Dr. Rishi Raj Adhikari**  
**Executive Director of the Institute of Foreign Affairs**

**Hon. Foreign and Home Affairs Minister, Mr. Madhav Prasad Ghimire**  
**Secretary, Foreign Ministry, Mr. Durga Prasad Bhattarai**  
**Former Foreign Minister and Ambassador Dr. Bhekh Bahadur Thapa**  
**Former Ambassadors Professor Dr. Lok Raj Baral, Madhuraman Acharya,**  
**Dinesh Bhattarai**  
**Eminent personalities in the field of Foreign relations, Economy, Business,**  
**Diplomacy and Academy**  
**Paper presenters, Chairpersons and Commentators**  
**Representatives from political parties and Friends from media**  
**Colleagues from Ministry of Foreign Affairs, other Ministries, All other**  
**invited guests and my co-workers from the Institute of Foreign Affairs,**

A very good morning to all of you!

I am thankful to all of you to have come to participate in this important seminar on our request inspite of your busy schedule.

I thank Hon. Minister of Foreign and Home Affairs for his eloquent thought provoking ideas on the theme of the seminar and for setting the tone for the following two sessions.

Nepal has been contributing to the working of the present systems both regional and global. However, these systems are crucial and are in need of greater attention to keep it more enduring with justice and peace reigning supreme in the world.

We all say that diplomacy reflects the overall situation of the country and currently the country is caught in the quagmire of political instability. Thus far the painfully prolonged political transition has sapped her strength and energy. However, the political scenario on the domestic front is now developing in a positive direction with a promise of the most likely holding of the democratic elections for the constituent assembly in a few months' time.

Nepal has sought and received much technical, financial and policy advisory support from various UN agencies in different sectors. In spite of odds at home Nepal has led and been involved in many agencies and initiatives of UN such as Coordinator of the LDCs in UNFCC; Under-Secretary General/High Representative for the UN Office of the LDCs, LLDCs and SIDSs; Chairmanship of Global Coordination Bureau of LDCs for the year of 2010-2012 and coordinated the Fourth UN Conference on LDCs which adopted the Istanbul Program of Action (IPOA) for the decade of 2011-2020; member of UN - ECOSOC for 2013-2015; her active involvement in UN peace-keeping process etc.

### **Nepal needs to focus more on:**

Participate effectively and pro-actively both in the international and regional systems.

A greater need is felt to streamline Nepal's participation to strengthen its presence in the UN System by making our accredited missions to the UN System more sensitive, smart and proactive.

Prepare to get into the mainstream of the fast moving globalization process to ascertain benefits, especially in the areas of finance and economy.

Find out the reasons of the decline of peace keeping position from 4<sup>th</sup> to 8<sup>th</sup> and recommend steps and advices to regain the lost position.

Nepal needs to continue participating in NAM movement with seriousness and purpose as one of the founding member-states at this juncture as the significance of the movement has visibly declined after the end of the Cold War.

Nepal as a coordinator of the least-developed countries should make its efforts to make the G20 listen to the justified and judicious needs and demands of this group of nations.

Nepal had the lead role in the formative period of SAARC. It should continue to activate its present state of inability to move on to fulfill the wishes of its founding fathers to bring peace and prosperity, leading to sustained stability and security in the region.

It is suggested that Nepal plays more pro-active role in currently passive BIMSTEC.

Similarly we should endeavor to be admitted as observer status to the Shanghai Cooperation Organization as all our neighbors have become either

as observer member or dialogue partner.

Nepal's presence should also be enhanced in other high level Asian forum like Boao Forum for Asia (BFA).

As a coordinator of the LDCs Nepal should take the lead in the group of "77 and play a vital role to get the UN resolutions passed for the betterment of the above countries.

Nepal's role in the Bretton Wood institutions, ADB and other international financial institutions should be enhanced so as to augment the resources for Nepal's development efforts.

Our role and domestic preparation for WTO needs to be more active to advance our trade and commercial interests and there is need to explore ways to derive benefits provided to the LDCs and LLDCs.

Nepal urgently needs to increase staffing at our missions abroad, and greater use of NRN resources.

We urgently need to upgrade our embassies together with clear cut guidance, ambitious goals, accountability for results and encouragement for innovation and creativity so that our brightest and highly competent ambassadors and seasoned diplomats end up performing well.

A well equipped and resourceful "Think Tank" is also a pressing need to provide the Ministry of Foreign Affairs essential feedback on the current trend of the bilateral, regional and global relationships and affairs.

An effective and well organized training centre must be put in place to infuse and equip both new and senior diplomats and officials with valued ideas and fresh thinking on matters of foreign policy and diplomacy which are highly useful and beneficial. This requires to revamping, broadening and strengthening the existing Institute of Foreign Affairs.

**Thank you very much**

## **Paper Presentation**

### **Paper Presentation I**

# **Enhancing Effective Participation of Nepal in International System**

*Kul Chandra Gautam*

I feel honoured but also humbled to be asked to make this presentation on Nepal's foreign policy, as I am neither a practitioner nor a scholar of this subject.

Unlike our chair and other presenters, and many participants at this seminar, I have had little first-hand experience in Nepalese diplomacy.

While I have had considerable exposure to multilateral diplomacy at the United Nations, my direct exposure to Nepalese diplomacy was limited to a brief period in 2010-11 when I was made Nepal's candidate for the Presidency of the UN General Assembly.

Of course, as a concerned citizen, I have generally observed the functioning of Nepalese diplomacy, particularly at the United Nations. But that limited and indirect exposure certainly does not qualify me as an expert.

So I hope the veterans of Nepalese diplomacy here will forgive me if my remarks sound rather shallow and superficial.

### **Securing recognition of Nepal's independence and sovereignty**

The concept note for this seminar states that Nepal started showing its visible presence in the international system in the early 1950s.

It was apparently a tough beginning for Nepal, as many countries at that time were not very sure about whether Nepal was a truly sovereign and independent country. This was reflected in the reservations we encountered when Nepal first applied for membership of the United Nations in 1953.

That was apparently a bit of a wake-up call for Nepal. So King Mahendra as well as other Nepali leaders made widespread international recognition of Nepal's independence and sovereignty as the prime focus of Nepal's foreign policy in the late 1950s and 1960s.

King Mahendra's participation at the Afro-Asian Conference, in Bandung, Indonesia in April 1955, was Nepal's first foray into the international arena. This was followed by Nepal's admission as a member of the UN in December 1955.

Thereafter, Nepal used the UN General Assembly as well as the Summits of the Non-aligned Movement as important forums for asserting its status as a truly sovereign and independent country.

At the United Nations, Nepal initially assigned some high profile Ambassadors as our Permanent Representatives. These included – Rishikesh Shah, Matrika Prasad Koirala, Gen. Padma Bahadur Khatri, and Shailendra Kumar Upadhyaya.

Each of them made a mark showing Nepal's strong interest on global issues beyond our own parochial concerns.

Rishikesh Shah led the international commission to investigate the tragic death of UN Secretary-General Dag Hammarskjold in a plane crash. Matrika Koirala was rapporteur of the UN's special committee against *apartheid* in South Africa.

Padma Bahadur Khatri ably led the Nepali delegation when we first became a member of the UN Security Council. Shailendra Kumar Upadhyaya played a leading role in negotiations at the Law of the Sea Conference.

Nepal's active participation in the Ministerial and Summit-level meetings of the non-aligned movement allowed Nepali leaders to rub shoulders with diplomats and politicians from many countries with whom Nepal had not even established diplomatic relations.

### **Expanding diplomatic ties**

Let us recall that when Nepal became a member of the UN in 1955, it had diplomatic relations with only 5 countries in the world – the UK, India, USA, France and China. A decade after joining the UN, we managed to establish diplomatic relations with about 2 dozen countries.

Currently we have diplomatic relations with some 140 countries, most of them non-residential and therefore relying on rather infrequent contacts in their capital cities. Our regular diplomatic contacts with most countries are,



therefore, carried out by our missions at the UN in New York and Geneva, and a few other capital cities.

Hence our UN missions carry out a disproportionately important role in both our multi-lateral diplomacy and even in keeping the bilateral contacts afresh with many countries.

### **Zone of Peace and Realpolitik**

Perhaps not having residential embassies in many countries did not matter much so long as the main focus of our diplomacy was trying to get the world to recognize that we were truly a sovereign and independent country.

For example, in the 1980s, we managed to get over 100 countries to endorse King Birendra's proposal to declare Nepal as a "Zone of Peace". In the end, that proposal flopped completely because we did not manage to convince the one country that was critical for its success – India.

Even worse, Nepal was subjected to a prolonged economic blockade by India in 1989, and no other country came to our defence.

Therein lies an important lesson of *realpolitik* for us. Yes, we must try to cultivate good and broad international relations, but when it comes to the real or perceived vital interest of our two large neighbouring countries – and particularly the southern neighbour – it is counter-productive to provoke them to play hardball.

The foolishness of Nepal trying to score points by playing off China against India, has been amply demonstrated numerous times - such as when King Birendra approved purchase of military weapons from China, or when King Gyanendra tried to play the China card before Jana-andolan 2, and when Chairman Prachanda launched a "tunnel war" and roared against the "Bideshi Prabhu".

Despite these realities, there seems to be a certain pathological appeal of strident anti-Indianism as an expression of Nepali nationalism especially when our political leaders and parties are out of power.

Perhaps MadhuRaman Acharyaji will dwell on this subject when he speaks about enhancing the effectiveness of Nepal's foreign policy in dealing with regional issues and institutions.

### **Diplomacy and Development**

Until the 1980s, Nepal's trade and commerce were limited to just a handful of countries, and very few Nepalis lived and worked in other countries. The

Nepalese diplomacy was basically focused on political issues like securing recognition of our independence and sovereignty, and reinforcing our policy of neutrality and non-alignment.

As a least developed country facing daunting development challenges, securing international assistance for its development was, of course, always a part of Nepalese diplomacy. Given its strategic location and the mystique of its Shangri-La like image, initially, some donors themselves showed interest in helping Nepal with minimal effort by Nepali diplomats.

Nepal started receiving bilateral aid in the 1950s and 60s, initially from USA and India, and the UK in the form of the Colombo Plan. They were later joined by China and USSR. Besides helping in Nepal's development, all these countries were also trying to influence Nepal's foreign policy in their favour during the global Cold War.

Switzerland, Australia, New Zealand, and Japan became important donors in the second wave. Grants and technical assistance were the key form of aid in the 1950s and 60s.

It was in the 1970s that multilateral aid through UN agencies, and later the World Bank and Asian Development Bank began to play a prominent role, and Nepal started receiving loans as well as grants. By the end of the 1980s, the bulk of the grant aid and soft loans Nepal received were from multilateral sources.

The European Union and individual European countries, especially the Nordics came into the picture in the 1990s and the first decade of 2000, with their interest in issues of conflict resolution, human rights and inclusive development.

The open atmosphere created by the introduction of multi-party democracy in 1990 also led to many international NGOs opening their shops, and supporting local NGOs that have become important players in Nepal's development process.

With the opening up of the economy in the 1990s, we began to see the emergence of a more robust private sector and some foreign direct investment.

But the decade of conflict, insecurity, political instability and extremism generally dissuaded optimum growth of the private sector and FDI, and public-private partnerships that could really unleash Nepal's immense development potential.

## **Nepal's Effectiveness in International Organizations**

Now, focusing on the international system, which is the topic given to me, since Nepal joined the UN in 1955, it has sought and received much technical, financial and policy advisory support from various UN agencies in different sectors.

Some of these activities reach every Nepali household. Examples of some great success stories include the eradication of smallpox, polio and drastic reduction in vaccine preventable diseases such as measles, tuberculosis, etc. carried out with the help of the World Health Organization and UNICEF.

The UN High Commissioner for Refugees helped Nepal cope with the burden of caring for Bhutanese and Tibetan refugees. The High Commissioner for Human Rights helped monitor and publicize human rights violations – in the context of the conflict.

Various specialized UN agencies provide normative advice and technical support in their areas of expertise.

Frankly, much of such support from the UN system to Nepal was not secured by our diplomats skillfully negotiating special projects for Nepal, but it came rather effortlessly as part of these agencies' global programmes which automatically gave priority to developing countries, and especially, LDCs and LLDCs like Nepal.

Nevertheless, our diplomats, supported by technical experts and programme managers from various ministries, have made their presence felt in many international organizations.

One area in which Nepal has made a significant contribution to the UN is in the field of peace-keeping. Besides contributing to world peace, service in UN peace-keeping missions helps Nepal's military and police personnel improve their professional competence.

And remittances of Nepali soldiers and police personnel who serve in UN peace-keeping operations, like those of the Gurkha troops, are of great help to our local economy in many communities.

More recently, we received UN's support in Nepal's own peace process in the high visibility work of the UN Mission to Nepal (UNMIN). Though not without some controversy, UNMIN did help us in setting up cantonments for the Maoist combatants, monitoring their arms and diffusing potential tensions in the sensitive task of integration and rehabilitation of a large rebel force.

In the international arena, it is not easy for countries like Nepal to have huge impact. Yet, we have seen some relatively small countries like Jamaica, Guyana, Ghana, Singapore, Sri Lanka, Sweden, Switzerland, Qatar and even tiny Lichtenstein exercising leadership roles in the governing bodies of multilateral organizations and in important international conferences.

Many nationals of such countries occupy high profile senior positions in various UN agencies. By comparison, Nepal has been clearly less influential.

While Nepal has been a member, and occasionally one of many vice chairs of various Committees, Commissions, Councils, and Executive Boards of UN agencies and the UN General Assembly; it has rarely been the Chair or President of such bodies, with a few notable exceptions as in the case of the leadership role we have managed to play in the context of LDCs, or on other rare occasions as when our Permanent Representative, Dr. Shambhu Simkhada, chaired the Human Rights Council in Geneva.

In terms of senior executive positions in the UN system, we are very proud that recently a very competent Nepali diplomat, Gyan Chandra Acharyaji has been appointed Under Secretary-General of the UN. It took us 57 long years since Nepal became a member of the UN to secure a top UN post. But better late, than never.

I understand that until now, only two Nepalis, one in UNICEF and the other one in ADB have been in senior managerial positions in those international organizations. In addition, we have had a few Nepali force commanders in UN peace-keeping missions.

I am told that at different times, there were several Nepali candidates who were considered eminently qualified for and had good prospects for being elected or appointed to senior executive positions at UN-ESCAP, WHO, IFAD and the UN Secretariat itself. But apparently, there were some serious shortcomings in the manner in which Nepal lobbied or did not lobby for these positions.

Although Nepal has been one of the top contributors to UN peace-keeping forces for four decades, we have not secured any top executive positions in the UN's Peace-keeping department, and recently even as force commanders in the field.

This too seems to indicate some shortcomings in our capacity and approach to playing a more influential role in the international system.

## **Experience of PGA contest**

Perhaps it would be appropriate here for me to share some reflections on what I consider to be a very educational but ultimately unsuccessful campaign for the Presidency of the UN General Assembly two years ago.

I have made an incomplete attempt so far to document what actually transpired during our PGA campaign, but this is not the right time or forum for a detailed discussion of that experience.

Today, I would only like to share a few highlights with a view to drawing some lessons on how we might pursue and be more successful in such efforts in future.

Nepal had filed its candidacy for President of the 66<sup>th</sup> session of UN General Assembly (PGA-66) citing its long and loyal commitment to the principles of the United Nations, and its significant contribution to the UN's mission of promoting international peace and security, universal human rights and socio-economic development.

Nepal was the first and only country to file its candidacy a decade before the time of election, when there was a clean slate. There was a tradition in the Asian Group at the UN that normally positions like the PGA rotate among various sub-regions of the continent, and different typologies of countries.

Our competitor, Qatar, filed its candidacy several years after Nepal, without any compelling reasons – other than the argument that it was a rising economic power determined to play a leadership role in all aspects of the UN's work.

Except for making an early announcement of its national candidacy, Nepal lagged behind Qatar in many other respects. We nominated our specific candidate for the post much later than Qatar. We had made no budgetary provisions for the election campaign, and it took many months for a very meager budget to be approved and released - too late and too little to do much.

Even after the announcement of our candidacy, it took many weeks before we officially notified UN member states. It also took many weeks before our own embassies were officially notified and asked to lobby for our candidacy.

I discovered that our Foreign Ministry has many capable and competent diplomats, but nobody is authorized or encouraged to take any decisions or take any initiative.

Even on seemingly simple and routine matters, of no policy consequence at all, every decision was delegated upwards – to the Foreign Secretary, and often the Foreign Secretary sought written instructions from the Prime Minister’s office and even the Cabinet.

What I found amazing was not just that we have an incredibly centralized system of decision-making, but that even after a Prime Ministerial or Cabinet decision on a seemingly important and urgent issue, a Joint Secretary in the Finance Ministry could effectively veto, delay or re-interpret such decisions, triggering a whole new round of review and paper trail that took not hours or days but weeks and months to travel from Singh Durbar to Narayan Hiti and from there to our embassies.

We needed to plan visits to some capitals and seek appointments with some important officials. But there was a chicken and egg problem: we could not seek appointments, or book hotels, or even reserve airline tickets until the travel budget was approved. And the travel budget was rarely approved earlier than a day or two before the actual date of travel.

I suppose for most of you who have worked in or with the government of Nepal, this may not be new, and you may know of short-cuts to get things done. For me, it is a miracle how we get anything accomplished in a timely manner in this country.

I have been told that these nitty-gritty issues would have been non-issues if there had been a stronger commitment for our candidacy in the Foreign Ministry and higher up.

I have no way of judging this, but let me say that with a few exceptions, I found most MoFA officials and many diplomats in our embassies and missions to the UN very supportive and enthusiastic about our candidacy.

And although we had a fragile coalition government and a polluted political environment, political leaders of all major parties supported our candidacy, or at least I am not aware of anybody who opposed it or tried to sabotage it.

After a change of government in Nepal, and close to election time in New York, when a senior Qatari minister visited Kathmandu to persuade Nepal to withdraw its candidacy, the new Prime Minister, his Cabinet colleagues and other political leaders stood firm in support of our candidacy.

That was a rare and remarkable message of unity that surprised some Nepali doubters, the Qatari visitors and many New York diplomats.

During my visits to New York, we actually felt the momentum was building up in our favour.

Based on our face-to-face meetings in New York, and feedback from our embassies in various countries and some capitals, the DPR of the Nepal mission to the UN developed a confidential matrix showing which countries were likely to support us, which were supportive of Qatar and which were undecided. We updated the matrix weekly and even daily.

It was clear that initially, most countries were undecided, a few were supportive of Qatar and a similar number were supportive of Nepal. As time went on, the number of undecided shrank and those in the Nepal and Qatar columns increased, generally in neck-to-neck proportion.

The feedback we got fairly consistently from both Asian and well-informed non-Asian countries, was that Nepal's candidacy was considered stronger on the basis of merit, logic, and the credentials of its candidate.

But Qatar had the advantage of almost unlimited budget, stronger outreach to various capitals of Asian countries, some solidarity of the Gulf states and Islamic countries, and what was euphemistically called its ability to exercise "check-book diplomacy".

As the race was tightening, the two candidates were invited to address the Asian Group on the 22<sup>nd</sup> of February 2011. The feedback we got from many delegates afterwards was that Nepal's statement was much stronger and convincing than that of Qatar. A few delegations that had remained undecided until then conveyed to us that following the two candidates' presentations, their government had decided to support Nepal.

Seeing the momentum tilting in Nepal's favour, Qatar went on over-drive in the last 72 hours before the scheduled poll among the Asian countries. Top Qatari leaders from Doha personally approached leaders of many countries that were undecided or tilting towards Nepal. There was much wining, dining and arm-twisting by the Qatari mission in New York, especially targeting Islamic countries and the Pacific islands.

Nepal certainly could not match Qatar either from our capital or the New York mission.

After a long and spirited campaign, and as agreed within the Asian Group at the United Nations, an election through secret ballot was held on 25 February 2011 to decide on the nominee of the Asian Group for PGA-66.

As Nepal secured slightly fewer votes than Qatar, Nepal withdrew its candidacy, thus enabling the Qatari candidate to be the unanimous nominee of the Asian Group.

It should be noted that despite many constraints, Nepal ran a strong and positive campaign which led to a very close vote.

Most objective diplomats in New York surmised that Nepal's defeat in the PGA contest was the result of Qatar's exceptional strengths rather than Nepal's weaknesses.

Indeed, it was widely acknowledged by many diplomats in New York and elsewhere that Nepal's case was very strong in terms of merit, logic and credentials of its candidate. But Qatar had other unique advantages.

Qatar prevailed over Nepal based, among others, on its very focused and targeted advocacy invoking solidarity among the 25 members of the Organization of Islamic Conference (OIC), and its good relations and *resourceful lobbying* with a dozen or so small Pacific island countries which comprise important constituencies within the 53 member Asian Group at the United Nations.

Nepal had a disadvantage as it had no formal diplomatic relations and embassies in many countries of the Pacific, Central Asia and the OIC which collectively constitute significant voting blocs at the UN.

Our informal feedback was that Nepal got overwhelming support of countries outside the Islamic and Pacific groups which voted on the basis of merit, logic and the strengths of Nepali candidate's credentials. Nepal came tantalizingly close to winning, and got support of countries comprising the vast majority of Asia's population, including most of the SAARC countries, a majority of ASEAN countries, all of the Northeast Asian countries, and a sprinkling of Arab and Pacific countries as well.

Although Nepal also managed to get some votes from the Islamic and Pacific countries, that was not enough to muster a majority in the Asian Group.

As indicated earlier, Nepal's PGA candidacy had across the board support from leaders of all major political parties at home. That support remained unchanged even when the government changed. Many countries were impressed and even awed by the tenacity of Nepal's campaign against great odds.

This PGA campaign was probably the most dedicated diplomatic campaign mounted by Nepal in its recent history of international relations. Within their



means, the Ministry of Foreign Affairs, Nepal's Permanent Mission to the UN, and Nepalese diplomatic missions worldwide spared no efforts to promote our candidacy.

Now, I am aware that some folks in Kathmandu, perhaps even some who are here today, had expressed some doubts about the credentials of Nepal's candidate, and some even speculated that Nepal might have fared better if we had chosen a different candidate.

Obviously, it is inappropriate for me to comment on that speculation. But I can tell you quite confidently that the credentials of the candidate were not a matter of any doubt outside some Kathmandu circles.

On the contrary, the Nepali PGA candidate's long UN experience and strong credentials as a development professional, his personal contacts and friendship with political leaders and diplomats in many countries, his first-hand familiarity with development programmes in many Asian countries and worldwide, and his communication skills were much appreciated by all our interlocutors.

Nepal was matched against perhaps the toughest competitor of all the 53 nations of the Asian Group. In the past decade, Qatar has demonstrated its capacity to win virtually all elections it contested at the UN. It even defeated such powerful competitors as Australia, Japan, Republic of Korea and USA in its bid for the 2022 FIFA World Cup.

Many observers, therefore, considered Nepal's competition with Qatar as very ambitious and challenging. Yet, Nepal put up a truly honourable competition with a shoe-string budget but with a great sense of purpose and national unity.

Although eventually unsuccessful, Nepal earned much respect and goodwill in the international community by sticking to its principled stance, exhibiting its self-confidence, making an eloquent and convincing case of the merits of its candidacy, and not succumbing to a defeatist mentality.

Both Nepal and Qatar emphasized throughout the campaign that the PGA contest would not in any way impact negatively on their friendly and mutually beneficial bilateral relationship.

The campaign was run in good spirit and Qatar expressed its sincere appreciation and continuing solidarity with Nepal both before and after the elections.

Contrary to some exaggerated fears that it might be harmful for Nepal to compete with a rich and powerful country that provides jobs to many Nepali migrant workers, Nepal actually earned greater respect and goodwill of Qatar which, I hope we can harness for further benefit of Nepal and Nepali migrant workers.

### **Enhancing Nepal's Effectiveness in International System**

My experience during the PGA campaign has given me a little deeper insight into the working of our diplomacy and how it might be made more effective particularly in dealing with international organizations.

Diplomacy, of course, reflects the overall situation of the country, and it is not easy to have an exceptionally well-performing foreign service, when the rest of the country is caught in the quagmire of political instability and administrative inefficiency.

Still, I believe that among the various ministries of the Nepal Government, MoFA is probably staffed with relatively well educated, better trained, more competent and motivated personnel.

It is my observation that most of our diplomats perform well below their potential. But with the right kind of incentives and a supportive leadership, MoFA could be turned into a centre of excellence among our government ministries.

Many diplomats in MoFA have had exposure to the functioning of better managed foreign services of other countries, and therefore greater openness to change.

MoFA is a relatively small ministry with a fairly focused mission. It would, therefore, be more amenable to reform and innovation.

As part of the government's civil service, it may not be easy or possible for MoFA to do things very differently from the normal practices in the rest of the government. But I hope that some reforms can be introduced in MoFA as pilot testing or as a precursor to reforms in the rest of the civil service.

Here are some house-keeping type of reforms I would recommend for MoFA first, and then I will suggest some policy reforms that might help enhance our effectiveness in dealing with international agencies and international affairs:

- 1. Introduce principle of subsidiarity** - Subsidiarity is an organizing principle whereby decisions on most issues should be taken by the smallest, lowest or least centralized competent

authority. Only when there is uncertainty about rules or legality, real risk of abuse or loss, need to make an exception or for decisions above a certain budgetary threshold, should those decisions be handled by a higher authority.

This principle is now being applied quite systematically in the European Union and in many administrative services of advanced countries. It takes time and courage to implement such system in most bureaucracies that are habitually risk-averse and where bureaucrats like to play it safe.

Some checks and balances are needed in particularly corruption-prone environments.

But the principle of subsidiarity can do wonders in empowering staff, increasing efficiency, and improving service delivery.

- 2. Institute system of rewards and retribution** – At present there seem to be no rewards or recognition for well-performing staff, nor any retribution for poor performers.

It would be desirable to have some annual or quarterly goals and performance indicators for every unit of MoFA, including our embassies and missions. Well-performing individual staff as well as teams that meet or exceed their goals in terms of both quantity and quality of work, should be given recognition and rewards which can be points accumulated for promotion, monetary bonuses, training opportunities, etc.

Wherever possible, feedback by customers, colleagues and supervisees should be given due weight to complement the supervisors' assessment.

- 3. Inculcate reading habit and language skills** - Many of our diplomats do not seem to have reading habit. Except in very general terms, many diplomats do not seem to be knowledgeable about basic facts and figures of the Nepalese economy; Nepal's own development plans, progress reports on Nepal's performance in terms of the Millennium Development Goals, and important Nepal-related reports by international agencies or NGOs.

There should be a required reading list for all our diplomats at different levels. If economic diplomacy is going to be the focus of our diplomats' work, they should certainly read some of the annual

flagship reports of the World Bank, UNDP, UNCTAD and other current development literature.

Most of our diplomats have poor language skills. The Ministry should provide training opportunities and language allowances for staff who acquire proficiency in the language of their host country of assignment and in the official languages of the United Nations.

- 4. Enhance Communications and IT skills:** I am surprised how inarticulate many of our diplomats are. Public speaking is an essential skill for a diplomat who has to represent Nepal and be a salesperson for attracting investment, tourism and projecting a positive image of the country.

Similarly, many of our diplomats do not seem to have even minimal IT skills that are so essential in the modern world. Diplomats who are political appointees are often pathetically primitive in these skills, but even professional diplomats need to be more proficient.

- 5. Make MOFA staffing more inclusive** – Among Nepal’s key ministries, MoFA has been historically a predominantly male Bahun-dominated institution. In keeping with the changing times, the ministry’s recruitment and promotion practices must be proactively more inclusive.

I understand that recently, many young and well-qualified women professionals were recruited as junior diplomats. A policy of fast-track career development must be instituted for such new recruits from historically marginalized communities, without compromising on essential qualifications.

- 6. Increase staffing, and greater use of NRN interns, volunteers and experts -**

We hear many Nepali Ambassadors complain that they do not get enough budget and staffing support to do a good job. While the need for more staffing and investment is clear, as we are likely to have continuing budget constraints, our diplomats should be encouraged to be more creative and innovative in harnessing non-conventional sources of support for their work, including from the growing Nepali diaspora and from friends of Nepal in many foreign countries.

In many countries with a sizeable Nepali diaspora, the NRN community can be of great help to Nepali diplomats and official delegates. There now are many highly successful, world class Nepali professionals in different fields in quite a few countries. Nepal should be bold enough to use them as our informal Goodwill Ambassadors, advisors and experts.

One way to do so would be to systematically include NRNs with recognized expertise and experience in different countries as members or advisors of Nepali delegations when they are visiting a country or preparing and negotiating important trade and investment projects.

In some countries, the NRN movement might be able to help our embassies with networking with influential host-country institutions, and in some cases even offer equipment, and part-time volunteer staffing, if the embassies were deliberately made more NRN-friendly and welcoming.

I have seen, for example, embassies of many small Latin American, Caribbean and European countries tapping into the pool of their expatriate compatriots as interns and volunteers to supplement the staffing shortage of their embassies and missions to international organizations.

Increasingly, we can find many expatriate Nepali NRNs in the capital cities of most countries where we have Nepali embassies and missions. I am sure we can get some first-rate graduate students, professors and even professionals who would happily volunteer to help the Nepalese embassies, often free of charge or at nominal cost, if we reached out to them and offered them a mutually beneficial professional experience.

In some cases, creative use of such bright, young interns and motivated NRN professionals would help our Ambassadors better than whole-timer bureaucrats transplanted from Singhadurbar.

- 7. Upgrade and invest in embassy premises** – Even a casual visit to many of Nepal's diplomatic missions abroad shows obvious areas for improvement. Many Nepalese embassies look physically shabby and dilapidated, poorly furnished, and inadequately equipped. We need to upgrade the physical infrastructure of Nepal's diplomatic missions to a more presentable level. It would be a worthwhile investment in the long run that will pay for itself.

- 8. Discourage/disallow visitors to stay at Ambassadors' residence**  
- There are a few seemingly minor but deeply distracting and corrupting practices which compromise on the work and efficiency of our Ambassadors and senior diplomats which must be ended.

We must develop some guidelines and code of conduct whereby visiting delegates and politicians (and their family members) from Nepal are not allowed to stay at the residence of our diplomats or to ask or expect our Ambassadors to provide them with unofficial hospitality or help for their medical care, sight-seeing or shopping expeditions. That would allow our Ambassadors and senior diplomats to focus on their job.

These are my 8 house-keeping reform proposals for MoFA and our missions abroad. I would now like to make 8 substantive and policy recommendations to enhance the effectiveness of our foreign policy to derive maximum benefit for Nepal from the international community.

- 9. Focus on Economic Diplomacy** – We have formally adopted economic diplomacy as the centre-piece of our foreign policy, but have a long way to go to make it real.

To make economic diplomacy effective, there is, first and foremost, a need for broad-based national consensus on what model of economic development we want for the country.

So long as we have widely divergent views and vision of what model of development we want, and there are mixed messages coming from home depending on which political party or coalition group is in power, our diplomats abroad cannot be effective in promoting economic diplomacy.

For economic diplomacy to succeed, we must have more consistent and pragmatic national political consensus on issues of vital economic interests and development priorities, not opportunistic or ideologically driven positions pandering to hyper-nationalistic chauvinism.

We cannot send mixed messages begging for international cooperation on the one hand and spouting ultra-nationalistic slogans about self-reliance, foreign domination, foreign interference, etc.

In a democracy, people are, of course, free to voice their views. But we cannot have leaders of political parties signing aid, trade and investment agreements, and activists of their own sister organizations obstructing implementation of such agreements.

Economic diplomacy should not be left to diplomats alone. It is best carried out through a team approach involving different ministries of the government that deal with key issues of economic development, the NPC, and through public-private partnerships involving groups such as FNCCI, CNI, NTB and NRNA. But MoFA diplomats must be always ready, willing and able to play the lead role.

Consideration should be given to devising a system whereby the performance of an embassy or of key individual diplomats is measured partly based on feedback from such non-MoFA stakeholders as NPC, NRNA, FNCCI, NTB, etc.

- 10. Forget non-alignment, focus on migration and development** – In our conventional diplomacy we continue to give undue attention to certain relics of the past and inadequate attention to newly emerging issues.

Thus, we seem to still attach more importance to meetings of the non-aligned movement rather than to forums that deal with the most burning and highly relevant issues for today's Nepal such as the Global Forum on Migration and Development (GFMD).

Securing better working conditions for Nepali migrant workers, and assuring their well-being, must now be a prime job of Nepali diplomats in most countries and international organizations.

With Nepali migrant workers now numbering close to 3 million and their remittances now constituting the backbone of the country's economy, Nepali diplomats ought to be proactively involved in various international forums where issues of migration and development are discussed and negotiated.

We must, of course, do the minimum necessary to show our solidarity with our traditional NAM allies, but without overly aligning ourselves with leaders and regimes that increasingly fall in the global rogue state categories.

- 11. Stop the begging-bowl mentality** - I have often attended international conferences where Nepali diplomats and delegates

only present our problems and difficulties, whereas foreign experts attending the same conference cite some of Nepal's great success stories – e.g. the commendable progress in reducing maternal and child mortality, increasing girls' education, eradicating or controlling diseases, improving access to water supply and sanitation, immunization, community forestry, etc.

To attract international support, Nepali delegates must be able to give examples of Nepal's successes against great odds, not just plead for help citing our poverty and backwardness.

Except for emergency humanitarian aid, why would any donor want to help a country that is good at citing its problems but not demonstrating success?

As part of our economic diplomacy, we must stop the begging bowl mentality of seeking charitable help from foreigners. Instead, we should be able to demonstrate, with examples, how investment in Nepal's development can yield better results than investment elsewhere.

We should also be able to demonstrate how foreign aid, trade or investment can lead to mutual benefits for both parties, not just for Nepal.

**12. Strive to make Nepal Premier Provider of UN Peace-keepers -**

Historically, Nepal has a good reputation in international peace-keeping, although some recent events, including laxity in our human rights screening and some fraudulent practices in procurement have tarnished our image somewhat.

Currently, Nepal is the 6<sup>th</sup> or 7<sup>th</sup> largest contributor to UN Peace Keeping forces. I would advise that we should aspire to be the world's #1 peace-keepers by the end of this decade.

This would also be a smart way for us to make good use of our oversized army which doubled in size during the decade-long civil war, but has not been downsized since.

We should aspire to be the premier contributor for international peace-keeping, not only numerically, but qualitatively as well. Accordingly, we must make our peace-keeping troops highly professional as well as more inclusive by enlisting a larger contingent of women soldiers and officers, which are in big demand at the UN, but in short supply in the Nepal Army and police.



I had so much hoped and advocated that as part of our peace process, we would give deliberate priority to integration of qualified women and combatants from other historically under-represented communities, such as Dalits and Madheshis when the Maoist “PLA” was disbanded.

That would have been a win-win proposition in Nepal’s best interest. Alas, that did not happen, but we can still take proactive measures to make our security forces more inclusive both nationally and in international peace-keeping.

As part of making Nepal a premier peace-keeper, we must also lobby hard to secure leadership positions for qualified Nepalis in the UN’s DPKO and as force commanders in the field.

- 13. Secure leadership role in UN system and IFIs** - In the coming years, Nepal should judiciously and systematically compete for not just membership, but to become the Chair or President of governing bodies of some key UN councils, commissions, or boards of specialized agencies, and funds and programmes based in New York, Geneva, Rome or elsewhere.

Our participation in the governing bodies and policy-making entities of IFIs such as the World Bank, IMF and ADB has not been very significant or substantive.

Although, some of these institutions have identified and tapped some talented Nepalis, including several retired senior bureaucrats, officially we have not promoted such professionals in positions where they could make substantive intellectual input in global development debate.

We must not be stingy in promoting such professionals who can make an intellectual contribution to global development debate whether or not that yields immediate benefits for Nepal.

- 14. Support Nepali Professionals in the UN system** - Quite a few Nepalis now work in the UN system, but it is becoming increasingly harder to get more Nepalis to be recruited by UN agencies.

In promoting Nepali candidates for UN positions, let us cast our net more widely, including, but going beyond, MoFA diplomats and other bureaucrats, and looking for talent in our academia, civil society and diaspora.

To be more competitive, Nepal should encourage young Nepalis, including our diplomats, to acquire skills that the UN is looking for - e.g. knowledge of multiple UN languages, better writing and communications skills, basic IT skills, experience in working not just in government but with NGOs, the media and academia.

Nepal should also groom and present more women candidates for UN positions.

- 15. Prepare a Long-term Reconstruction and Development** - At this time in Nepal's history, perhaps the most important help we should seek from the United Nations, IFIs and other potential major donors and partners, would be to help us prepare an ambitious, long-term reconstruction and development plan, and to help mobilize international support for it.

Elsewhere in post-conflict countries, such international partners have helped governments to prepare such plans and to mobilize multi-billion dollars international support by organizing major donor conferences for countries such as Cambodia, East Timor, Afghanistan, Liberia, Mozambique, etc.

But this has not happened so far in the case of Nepal, partly because our political transition and the peace process have been long and convoluted, and our focus continues to be on political issues, while economic issues have been left for future consideration.

The time has now come for us to bring up the economic issues to the fore-front. Because we have delayed addressing the economic issues for too long, our own people have become disenchanted with the highly polemical and polarized political process, and we have already missed a prime opportunity to mobilize international support, while the world's attention was still focused on Nepal's unique peace process.

But it is still not too late. Nepal has very good prospects for achieving quite a few of the UN Millennium Development Goals, and positioning ourselves as a favoured partner for the post-2015 Sustainable Development agenda.

Given our still unsettled and prolonged political transition, what we prepare today might still be a provisional plan. But some of us development professionals and diplomats must be ready with such contingency planning, hoping against hope that our politics will

soon put the economic agenda on the front burner as our politicians have promised us so often.

## **16. Focus on our neighbours**

Finally, we do not have to go across the seven seas to test our prowess in economic diplomacy. The greatest opportunity for attracting foreign direct investment (FDI) and marketing our products, lies just across our borders in India and China. These vibrant economies offer us extra-ordinary opportunities that would be the envy of many other countries.

But our foolish hyper-nationalism and suspiciousness especially vis a vis India prevent us from finding win-win solutions.

Many small countries have found creative ways to capitalize on the large economies of their neighbours – e.g. Switzerland with Germany and France, Paraguay with Brazil, Canada and Mexico with the US, Bhutan with India, Laos with Thailand, Mongolia with China and Russia – but we Nepalis seem to specialize in giving mixed messages rather than getting to “yes” when large investors from across the border come calling.

It is ironic that when in power, or trying to get to power, all of Nepal’s political parties try to curry favour with India, but when in opposition the same parties and their radicalized fraternal trade unions vilify most FDI projects.

A very poignant example of this is the signing of what I consider to be a wise and essential Nepal-India Bilateral Investment Promotion and Protection Agreement (BIPPA) by the Maoist author of the stridently anti-India “40-point Demands” of 1996, and its predictable opposition through the “70-point Demands” of 2012 issued by their dissident comrades.

But I will leave that topic for discussion in the next session by Madhuraman Acharyaji.

With some of these reforms both of house-keeping and substantive nature, I believe it is possible for us to make our diplomatic service world-class and our foreign policy effective and exemplary.

We realize there are daunting challenges to implement such reforms. The financial and human resources available to MoFA and at the disposal of

our diplomatic missions are certainly meager and inadequate. But the biggest problem our diplomats face is not lack of resources, but that of unclear guidance, un-ambitious goals, no accountability for results and no encouragement for innovation and creativity.

This leads to a situation whereby even the best and brightest of our highly competent ambassadors and seasoned diplomats end up performing well below their potential.

We also face a larger national problem of projecting a good image of Nepal abroad, when back home we are mired in conflict, violence, intolerance, and ideological extremism of the kind that has been rejected elsewhere in the world.

The foundation of an effective foreign policy rests on our domestic peace and tranquility, respect for human rights, good governance and a vibrant pluralistic democracy.

Our hope and commitment should be to make MoFA and our diplomatic service a small but important pillar in building and branding that new Nepal of our dream.

**Thank you.**

## **Professor Dr. Sushil Raj Pandey's comments on Mr. Kul Chandra Gautam's paper**

The paper by Kul Chandra Gautam is of topical issue.

How Nepal can enhance its effective participation in the international system is a pertinent concern in today's expanding diplomatic relations of Nepal with a large number of countries.

The rapidly changing international system calls for greater understanding with wide comprehension of the field incorporated by international relations.

To comment on such a wide field in such a short time is to do injustice to a very lengthy paper and I admit that I am not an expert, or a career diplomat, who can claim scholarship to do so. Mr. Gautam has widely covered the field which for Nepal is of utmost importance. Nepal's national politics and its foreign policy call for strategic choice in decision making that is constantly the concern in protecting national interests.

Here, I shall supplement some missing links that need emphasis to enrich Nepal's international and regional involvement. Some new insights are important as that should provide more dynamism to SAARC (a regional association of eight nations: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka). This, in my reading, is helpful. Discussions calling for steps towards "New regionalism" beyond the formulation of simple regional framework would bring more practicality of relations between governments, between people and between regional associations and the international system.

South Asia today is found to embrace a wide range of factors which influence people's interactions beyond national and international boundaries. Given the mid-stage growth of the regional body, it is time to take stock of the situation. It is because of wide complexity of issues facing the region that to go beyond institutional approach, some new thoughts are required to provide a methodology for new regionalism.

The state-centric mindset (Track 1) is one approach that addresses the issues of bilateral concerns and people based activities (Track 2) can only complement

the efforts to see the regional body to grow and assume a super status in world affairs. Some explanations in this area would be welcome.

The various areas of reforms “both of house-keeping and substantive nature” point out innumerable challenges faced by the nation. I agree with him that the international system is of expansive nature, and to fully participate in system in the globalization requires these reforms that can enhance the role of the Ministry of Foreign Affairs.

To supplement the approach taken by Mr. Gautam, please allow me to speak a few more ideas on the levels of analysis required for comprehension given my background in methodology and teaching of international relations.

Globalization is an important area that needs to be understood as it encompasses many trends, including expanded international trade, telecommunications, monetary coordination, cultural exchanges of new types and scales, migration and refugee flows, flow of remittances and poor nations.

There are many influences that affect the course of international relations. I perceive that the levels of analysis can provide a more comprehensive framework for categorizing these influences that institutionally or through track 2 approaches, Nepal can be more involved in international system. Broadly, there are four levels that we can participate and for that we need the manpower, both professional and technical, to support the line actions by multiple approaches.

First, at the global level, the key areas to look into in order to give inputs for Nepal’s active participation in various international forums are manifold. To name a few, information revolution, global communication, worldwide scientific and business communities, world environment, technological change, terrorism etc.

The second is the interstate level that in the world of alliances and non-alignment, several areas are of prime concerns that bind state actors to perform in specific terms. Areas include treaties, peace processes, trade agreements, INGOs, bargaining, summit meetings, diplomacy, etc.

Third, is the domestic level and this includes several areas. The character of nationalism (and I see geographically important for a small nation which can benefit positively from its strategic space in international affairs), gender, economic sectors and industries, military preparedness, foreign policy bureaucracies, type of political set up and the situation of power distribution, political parties, public opinion, ethnicity, form of government, etc.

Lastly, the fourth level includes individual level that international relations are influenced such as type of leaders, the style of decision making, learning, citizens' participation in election or during conflicts.

Mr. Gautam has in his paper included all these levels which are not normally the case for IR scholars who are confined to one level of analysis. To answer why certain aspects occur in any of these levels, there is no single correct level that can answer the questions. These approaches help us to understand a situation or event with better explanation as to why.

Mr. Gautam's experience, vision and scholarship are of high admiration and his suggestions should be incorporated by the policy makers to enhance more effectively our participation in international system. There is little I disagree with his views.

## Paper Presentation II

# Enhancing Nepal's Foreign Policy in the Regional Arena

*Madhu Raman Acharya*

Regional cooperation often appears as an endnote on Nepal's foreign policy and diplomatic strategy. In absence of a comprehensive regional policy, which requires broader understanding of the objectives and instruments of regional diplomacy, Nepal's role in the regional arena is confined to a few regional organizations and maintaining bilateral ties with neighbouring countries and beyond. Thus, we often end up playing to the regional and bilateral policies and interests of others. In view of growing significance of regional diplomacy, rising influence of Asia, including India and China, and heightened strategic importance of South Asia, and in view of the opportunities available regionally, Nepal can endeavor to sharpen its regional policy taking into account the new developments and consolidating the experience so far in regional diplomacy.

### **Regional diplomacy matters**

Regional diplomacy has always been a strong element in global diplomacy. But its importance has been increasing due to a number of significant factors, including the changing nature of international relations such as shifting balance of power towards the developing countries and regional blocs, rise of regional economic grouping and trading blocs, and increasing interdependence and economic integration of states. There is a strong realization that countries can exert better influence in global power politics and economic decision-making systems collectively than they can do individually. This has led to emergence of strong regionalism and inter-regionalism (cooperation between various regional blocs) in global diplomacy. Even with such efforts, the world is unevenly integrated within and among regions. Regional cooperation is expected work as the positive force for global interdependence. Regional diplomacy is of crucial importance in different phases of economic integration, which progresses from a free trade area, to customs union, to common market and eventually to an economic union.



The rising economic prowess of India and China has made them economic powerhouses of the world, not just of Asia. With their high economic growth rate contributing to nearly half of the world's GDP growth, India and China have become powerful engines of growth in the world economy, which is still sluggish following the financial and economic crises of 2008-09. Their hard power (political, military, demographic and economic) as well as "soft power" (civilization, culture and Diaspora) make India and China as emerging new powers, which have shifted the balance of power towards Asia and toward the developing countries. Recent emergence of BRICS, including India and China, also highlight their significance in the global scene.

South Asia's significance is growing in the world's geopolitical, geo-economic and geostrategic considerations. Such importance is heightened by the strategic interest of the big powers in the region. Outside powers are also interested in the region due to their strategic and security interests, nuclear tension, terrorism, and domestic crises in each state.

Nepal's strategic significance has been increasing in the region for a number of reasons. First, the geopolitical and geostrategic importance of Nepal has led to competition for the strategic space in Nepal between the regional and outside powers. There are obvious political, economic and security interests of the neighbouring countries. The security sensitivities have led to increased importance of Nepal's regional policy and behaviour to our neighbouring countries. Having housed SAARC and few regional organizations and UN agencies, Nepal has always been an important regional hub. Nepal's declared foreign policy of playing a champion on regional cooperation has also increased this importance. Lately, statements like Nepal's potential of serving as bridge between South and East Asia and that between South and Southeast Asia has been gaining currency, though much of that is a bit detached from pragmatism and reality on the ground. Nepal's internal political stability, including the prolonged and chaotic transition period has provoked the interests of neighbouring countries as well as outside powers. This has led to increasing role of neighbours and outside powers in the domestic affairs of the country, as the distinction between helping and meddling becoming blurred.

### **Not So Easy Neighbourhood**

Nepal's neighbourhood is not so easy for regional diplomacy owing to a number of factors. There is the historic baggage of painful experiences of decolonization and partition which has led to continued political rivalry between major powers, which has led to perpetuation of trust deficit and

continuation of suspicion among each other. This has reduced the chances of good regionalism and regional cooperation. Besides, the asymmetry in geographic, economic and demographic size among the countries in the region also poses unique problems in regional cooperation. We need not describe in detail the overwhelming presence of India and China in the regional arena. India alone counts for 80% of the GDP in South Asia. There is a subtle competition between India and Pakistan on regional issues. For obvious reasons, India is staking claim for permanent membership to the UN Security Council, which Pakistan has not digested so far, though economically Pakistanis have started to acknowledge India's "leadership". Each of our countries in the region is in some state of crisis, at least in parts of them. These crises range from that of poverty, crisis of governance, climate change, food insecurity, environmental menace, domestic conflicts, insurgency, terror, and crises of identity politics. This does not constitute an easy region for an effective regional cooperation and diplomacy.

### **Regional Policies of Important Players**

Regional diplomacy constitutes an important dimension of foreign policy of major powers and economic blocs. There is growing focus on regional diplomacy among the main players in the region, including India and China. It will be very important for Nepal to understand the regional policies of major blocs and powers, including India and China, not just their bilateral relations and their relations with Nepal. We have to create space for our regional diplomacy based on the sound understanding of the regional strategy of major blocs, powers and neighbours around us.

**The United States:** In the *U.S. strategic guidance* released in January 2012, the United States acknowledged a shift of its strategic interest and priorities from the Atlantic to the Pacific, including the East and South Asia. The strategic guidance document reads<sup>1</sup>:

"U.S. economic and security interests are inextricably linked to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia, creating a mix of evolving challenges and opportunities. Accordingly, while the U.S. military will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region".

Disclosing the strategic shift to the Asia Pacific Region, then U. S. Secretary of

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1 *Sustaining U.S. Global Leadership: Priorities of 21<sup>st</sup> Century Defense, U. S. Department of Defense, January 2012*

Defense Leon Panetta said during the Shangrila Dialogue held in Singapore in June 2012, “We have made choices and we have set priorities, and we have rightly chosen to make this region a priority”. Speaking at the Australian parliament on 17 November, 2011, President Barack Obama confirmed this shift saying, “I have directed my national security team to make our presence and mission in the Asia Pacific a top priority”. One of the interesting points to note in this declaration is that the new approach treats East Asia, Western Pacific, Southeast Asia, and South Asia not as separate regions anymore, but as a part of broader geopolitical picture of U.S. foreign and security policy in what is called as “comprehensive geographical approach”. Experts interpret this shift as a strategy to “contain” China’s strong presence in the region continuing partnership and alliance with other major countries like Japan and India. This is among the reasons why, the recent Indian report entitled *Non-alignment 2.0* says that Asia is going to be a “theatre of strategic rivalries and great power competition”<sup>2</sup>.

The United States regularly engages regional blocs, such ASEAN in the form of strategic dialogue partner. The United States also has a “strategic partnership” agreement with India. The partnership ranges on issues like nuclear cooperation and economic interests. India’s regional role is also clearly acknowledged by the United States. The US *strategic guidance 2012* (*op. cit.*) states, “The US is investing a long-term strategic partnership” with India to support its ability to serve as a regional economic anchor and provider of security in the broader Indian Ocean region”.

There is obvious interest of the United States to enlist countries in the region as their ally in the war in Afghanistan, continued fight against terror and to some extent the policy of “containing China”. South Asia as a region is gaining a strong strategic importance for the United States, also in terms of the U.S. and NATO engagement in Afghanistan. The United States considers Pakistan as “frontline state” in the fight against terrorism, which has drawn into controversies including in the continue Drone attacks. The United States considers Bangladesh, which has the biggest yet moderate Islamic population, as a “natural strategic partner”.

**EU:** As a regional bloc consisting of three major powers (U.K., France and Germany), the European Union also engages in a proactive regional diplomacy. EU engages in a strong inter-regional diplomacy such as through EU-Africa summits. In Asia, the EU has structured dialogue mechanism in most of the

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2 Khilnani et. al. (2012) *Non-Alignment 2.0: A foreign and strategic policy for India in the 21st century*, the National Defense College and Centre for Policy Research, New Delhi

regional grouping, including in the ASEAN. In the SAARC, with its “observer” status, which remains to be clearly spelled out, there is no significant engagement. Singaporean diplomat Kishore Mahabubani vents his frustration at Europe’s lack of proactive engagement in Asia. He attributes such lackluster engagement to Europe’s “flawed strategic thinking”<sup>3</sup>.

**China:** Traditionally, China was accused of “claiming to be global power without taking commensurate global responsibilities”<sup>4</sup>. This has been changing, as China has started a proactive policy of engagement in the Asia and Pacific region and beyond. In his speech to the 2013 Boao Forum, Chinese President Xi Jinping said the countries in Asia should “foster a sense of community of common destiny”. China took the initiative of establishing the Shanghai Cooperation Organization (SCO) and Boao Asia Forum (BAF), both with intentions for promoting regional economic cooperation. Some attribute China’s grandiose plans in proactive regional diplomacy as preparation to take over the global leadership from the decline of US as a superpower<sup>5</sup>. Increasing interest and role of China in global politics is going to have strong influence in its regional policy as well.

With its emerging status as an economic superpower a global political heavyweight, China has started to extensively engage the regional groupings around it and beyond. It has extensive engagement with Southeast Asia, in which it a “strategic partner” with ASEAN, as opposed to “observer” status with the SAARC. China’s partnership in the ASEAN ranges from political to economic and security cooperation, though the relations are becoming challenging owing to new tensions in issue of South China Sea. China also has a free trade pact with the ASEAN. China also holds summits with Africa regularly.

China has strong bilateral relations with all of five South Asian countries which have borders with it (Afghanistan, Bhutan, India, Nepal and Pakistan), stretching nearly 5,700 km. China is hoping to enter into strong partnership with these countries bilaterally and regionally through the SAARC. Recently, China hosted the South Asian Exposition in Kunming inviting high level delegates from South Asian countries. Chinese Prime Minister Li Keqiang chose to make India his first official visit, showing how much importance

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3 Mahabubani, Kishore (2009), “Europe, Be quick or miss out the Asian century”, *Europe’s World, Spring 2009*, accessed at [www.europesworld.org](http://www.europesworld.org)

4 Evan S. Medeiros & M. Taylor Fravel (2003), “China’s New Diplomacy”, *Foreign Affairs*, November/December 2003

5 Thomas J. Christensen (2011), “The Advantages of an Assertive China Responding to Beijing’s Abrasive Diplomacy”, *Foreign Affairs*, March/April 2011

China wants to attach to South Asia. “*Sino-Indian ties would be the most important bilateral partnership of the century*”, Chinese Premier Li Keqiang said during his maiden India visit. Indian Prime Minister Man Mohan Singh said, “*Relationship between the two countries is of growing significance and essential for our peaceful development and sustained economic growth, as well as for stability and prosperity in our region and the world*”.

Cooperative relation between India and China is a must for stability and prosperity for South Asia. The collective prosperity of the countries in the region will only be ensured when the dividends of high economic growth in these two countries is shared by others. In the next five years, the Chinese outbound investment is expected to reach 500 billion U.S. dollars and the number of its outbound tourists may well exceed 400 million. This is the projection made by the Chinese President at the 2013 Boao Asia Forum. Only a tiny fraction of this is likely to immensely benefit countries like Nepal.

China also has its own regional problems ranging from the nuclear issue of North Korea to the disputes on South China Sea and shift of US priorities to the Asia and Pacific.

**India:** Conventionally, India’s regional policy was short of proactive engagement. Initially, India had suspicion about the role of regional groupings. During the establishment of SAARC, India was a backbencher and had suspicion that other states were “ganging up” against it. India’s regional engagement has been described as “static and conservative”<sup>6</sup>. Despite an Indo-centric geopolitical reality (Most South Asian countries have borders with India, except in the case of Afghanistan), its rising economic prowess, and huge “soft power”, and geographic and demographic edge over its neighbours, India has not assumed leadership role in South Asia and other regional diplomacy, mainly because of the failure to dispel the myth of Indian “hegemony” and “dominance”. India’s apprehension of proactive engagement in the region is based on the notion that its bilateral problems might be regionalized and regional problems internationalized. India has yet to utilize its huge capacity making a difference in the region through extended access to market, technology and capital for the development of the region as a whole. Though not applied whole-heartedly, there seems to be growing consensus in India towards the *Gujral Doctrine* of non-reciprocity and towards creating a stake in its progress and stability for all its neighbours.

6 Chakrabarti, Shantanu (2012), “India’s Regional Policy Making in Post Cold War Setting”, *Societal Studies*, Mykolas Romeris University, 2012 4(2)

Today, India is not just an important regional player in Asia; it is playing a leading role globally in the group of developing countries. India engages in proactive regional diplomacy in South Asia and beyond the region. India's newfound outward-orientation offer good opportunities for the countries in the region, especially on trade, investment and connectivity. India is increasingly applying priority on economic relations in the region over political relations, which is a huge new opportunity to take into account. But even in the economic sphere the focus is bilateral rather than regional. For example, India has separate bilateral trade treaties with Nepal, Bangladesh, Sri Lanka and Bhutan in even more preferential terms than is considered to be in the SAFTA. During the visit of Indian Prime Minister Manmohan Singh to Bangladesh in September 2011, India and Bangladesh signed far-reaching agreements with positive implications on regional cooperation including in water management, transit, trade and connectivity involving Nepal and Bhutan. But their preference to doing it bilaterally demonstrates the reluctance to doing things regionally. In regional diplomacy, India is more focussed on its "look east policy" than on South Asia centered policies, though there is emphasis on "neighbourhood" in its foreign policy. Some even include Southeast Asia, East Asia, Central Asia and the Middle East as India's "extended neighbourhood"<sup>7</sup>. But such notion is yet to bear any tangible results.

Earlier, India's regional policy was based on the aim of preventing the rise of Pakistan, which it saw as a competitor as a regional power. This seems to be changing and broadening. Recent thaw between India and Pakistan after each other agreeing to allow MFN treatment in trade and investment has made the political environment for economic cooperation slightly better. Indian regional policy is shifting away from its traditional focus on political relations based on security considerations and "Third World solidarity" to more economically-oriented relations. India considered the subcontinent around it as an "exclusive sphere of influence" and its regional policy was aimed at preventing other powers from making inroads into the region<sup>8</sup>. To achieve this, India resorted to "bilateralism", seeking to address the political issues bilaterally. But today, there is growing focus on economic relations rather than political relations. There is a big shift in the Indian foreign policy, mainly from an idealist to pragmatist stance and taking things regionally. This owes to India's rise as a global power, as well as internationalization of the South Asian security issues (e.g. NATO involvement in Afghanistan, global interest in

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7 Rajamohan, C. (2003), *Crossing the Rubicon, The Shaping of India's New Foreign Policy*, Viking

8 Rajamohan, C. (2003), *op. cit.*,

nuclear issues between Indian and Pakistan). Still, India's regional policy is a work in progress, which remains to be fully articulated and evolved. The new discourse on foreign policy is more centered towards shaping its ambitions for a global power. But there is increasing realization that its global ambitions cannot be achieved without having resolved the region's intractable economic and political issues, which needs a better framework for positive cooperation. Even the essence of Gujral Doctrine of non-reciprocity of small states has now been interpreted at something that helps secure such cooperative framework for India's leadership role in the regional and global arena. This was among the messages of the recent Indian think-tank report called *Non-Alignment 2.0*. Among other things, the report says "India cannot hope to arrive as a great power if it is unable to manage relationships within South Asia"<sup>9</sup>. India's seeking to become a global superpower without resolving regions multi-faceted problems will be like taking an aircraft that is supposed to take off to the runway without detaching a big parachute attached to it. "India will not be able to realize its own destiny without the partnership of its South Asia neighbours"- said Indian Prime Minsiter Manmohan Singh, during his 2011 Bangladesh visit. As India will continue to play more influential role in the world politics, its regional policy will also need to be refined. There is strong realization that with intra-regional rivalry an internally weak and bickering region is not likely to become a strong global player.

In recent days, India is proactively engaging in "soft power" diplomacy, which it does through "public diplomacy" (influencing public attitudes to the support to the formation and execution of foreign policy or more specifically, efforts to inform and influence foreign public in order to gain sympathy and goodwill towards one's country) and "cultural diplomacy". Harvard Professor Joseph Nye, who invented the concept, defined "soft power" to consist of three resources including its culture, political values and foreign policy, which are either attractive to others or are morally superior to that of others. In India, the concept of Indian "soft power" is interpreted to consist of the Indian IT industry, civilization, cultural heritage and diversity, democracy, its Diaspora, films, cricket, curry, Ayurveda , Yoga and the like. In his recent book *Pax Indica*, Shashi Tharoor pleads that India's soft power is more attractive in South Asia and beyond than its hard power (economic growth, military strength, or population)<sup>10</sup>. It is likely that in the coming days, India is likely to focus more on its soft power diplomacy regionally than on hard core economic and military power. This is already demonstrated with the extensive role of the

<sup>9</sup> Khilnani et. al. (2012) *Non-Alignment 2.0: op.cit.*

<sup>10</sup> Tharoor, Shashi (2011), *Pax Indica; India and the World of the 21<sup>st</sup> Century*, Penguin

Indian regional think tanks and the Indian Track Two diplomacy.

One of central concerns of India's regional diplomacy is to seek to enhance its strategic competition with China. This has been obvious with Indian concern over recent expansion of ties between China and South Asian countries like Sri Lanka and Bangladesh. India is also competing for strategic space with outside powers, especially in Afghanistan. India will seek to occupy the strategic space in Afghanistan once the US-led alliance and NATO troops leave the country. The Indo-Afghan strategic dialogue, among other things, is aimed to fill this gap. But this might further alienate Pakistan for fear of being "encircled". In the SAARC, articulation of regional propositions usually evolves out of competing interests of India and Pakistan.

India is facing the situation of having to deal with neighbours that are either fragile or on brink of failure, a distinct regional security threat. Yet another factor in shaping India's regional policy is the interlocking of nature of its ethnic diversity and domestic identity politics with each of its neighbours, which create complexities and sensitivities. India is seeking the permanent membership to the UN Security Council. India will continue to need goodwill and support of its neighbours for this endeavour, hence the imperative of a positive framework for Indian regional policy.

**Bangladesh:** We can also learn from our other neighbours, including from their regional policies. Once called a "basket case", Bangladesh is now a "role model in development" and "standard bearer in South Asia". Though credit to their success goes to their pragmatic and innovative approach to development, vibrant NGOs, microfinance institutions, and proactive role of the government in reducing poverty, combating disasters and bringing in an export-led development and bringing in foreign direct investment, Bangladesh has also exploited regional environment to its credit. That is despite having its tumultuous political system with frequent stirs and strikes and the emergence of radical Islam as political instrument. Besides being active in the SAARC and BIMSTEC, Bangladesh has extensive trade ties with China and India, though in recent times, India is said to have been losing ground in Bangladesh to China. (Bangladesh's trade volume with China is 50% higher than that with India).

During the visit of Prime Minister Manamohan Singh to Bangladesh in 2011, the two countries unveiled a joint-declaration, which has a strong significance to regional cooperation in the region<sup>11</sup>. Among other things, the bilateral

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11 *The Framework Agreement on Cooperation for Development between Bangladesh and India signed on September 6, 2011 during the visit of the Indian prime minister to Bangladesh*



declaration developed a concept of “shared destiny and common vision of a peaceful and prosperous South Asia”. It unveiled a strong partnership for water resources management and water-sharing in the shared basins and laid a foundation of the sub-regional cooperation on trade, transit and connectivity. Nepal also figured in this bilateral document. Though nothing is explicitly contrary to Nepal’s interests, our non-involvement in the process makes us an outside party waiting for goodwill of the two countries to implement the intended course for us to benefit in what they call as “greater bilateral cooperation”. For example, rivers from Nepal contribute about estimated 71% of the dry season flows and 41% of the total annual flows of the Ganges. Any water sharing arrangement between India and Bangladesh cannot just ignore Nepal’s role in this process. In Southeast Asia they have Mekong River Commission involving all stakeholder member countries. Why cannot there be a Ganges River Commission involving all countries in the basin? Similarly, the bilateral agreement between India and Bangladesh agreed to allow Nepal and Bhutan transit access to Bangladesh’s ports at Mongla and Chittagong and for the movement of goods from one part of India to the other. This was done in exchange of allowing Bangladesh access to land routes to Nepal and Bhutan. We did not figure out as official player in this too, one of the reasons why there is so little progress on this count.

**Issues at stake in our neighbourhood:** There are so many issues at stake in our neighbourhood. Security is still the most important fact that determines the extent and nature of regional cooperation. Officials in the region are still haunted by the “security-first” mindset, as the region is still haunted by extremism and terrorism. Despite having entered into free trade pacts (SAFTA), the intra-regional trade is paltry 6% of the region’s total trade. There are opportunities in the trade in services (SATIS agreement) and in new regional frameworks for investment and transit transport cooperation. We are still the least integrated and least connected region in the world. Cooperation in water resources can be a springboard for launching regional cooperation to yet another level. Energy cooperation is also at stake in the region which has the market and the potentials including in hydropower. Cooperation in environment, climate change and disaster risk reduction has also reached alarming necessity. South Asian countries also need to find a mechanism to cooperate on outbound labour migration, which is common to all the countries. Especially, there is a need to engage the group of recipient countries more meaningfully in order to press for a well-regulated employment of migrant workers and for protection of their rights through regional instruments.

## **Problems in Nepal's regional diplomacy and regional policy**

Nepal's foreign policy still continues to be afflicted by the legacy of the *Yam Syndrome*, which disregards larger picture of the region beyond being a small state land-locked between India and China. Nepalese foreign policy makers and shakers have yet to fully recognize what is happening around us, especially the fact that India and China have started to engage in big power diplomacy and strategy, globally as well as regionally. Where we figure out in their "grand strategy" is still unclear. At the moment, we have too much obsession with internal situation due to prolonged, messy and uncertain transition, which has earned us the reputation of a "fragile state" on the brink of being listed as a failed state.

We have yet to gain effectively from regional and sub-regional diplomacy. In fact, Nepal does not have a concerted and strategic regional policy of its own yet. We often find *regional diplomacy in the footnote to foreign policy* of Nepal, in the context of SAARC. Nepal's regional diplomacy is yet to extend outreach other region, especially the Southeast Asia, East Asia, Central Asia, the Pacific Islands and the Gulf Arab region. In whatever regional framework we have, there is too much security connotation, as the regional frameworks have *not been able to free themselves from the security perspectives* especially that of big neighbours.

Nepal has not been able to leverage its unique position of a regional hub, including that of the SAARC and its unique advantage to be a regional champion. Our *visibility in regional diplomatic arena is rather weak*. Whatever presence or visibility we have is government-centric, rather MoFA-centric. We have not been able to effectively create and utilize the Track Two space in regional diplomacy. We are even short in the regional think tanks and Track Two diplomats. Our "public diplomacy" is almost non-existent. Sometime ago, Prime Minister Dr. Baburam Bhattarai was seen on Twitter. Today, no government official is entrusted to assess and respond to the varied messages flowing in the social media and networks. India has a separate Division for public diplomacy in its Ministry of External Affairs.

There is the *obsession of dealing everything bilaterally*, especially with India and China, as they also resist to taking issues to a regional level in the *apprehension of regionalization or internationalization of the bilateral issues*. We have *underutilized available opportunities* through the regional frameworks (e.g. SAFTA LDC concessions) and developments in the region (e.g. rail extension in Tibet and rising number of outbound Chinese tourists).

Sometimes, our regional discourse suffers from the *problems of exaggeration of issues*, being *detached from pragmatism and ground reality*. For example, the declaration of Nepal's transit location between India and China as something ranging from "land-linked" to being a "dynamic bridge", or "transit economy" and recently the declaration of "trilateral cooperation" is not based on good preparation or groundwork for action plans which are required before launching such concepts.

We also have a "*diplomatic deficit*" in the sense that the diplomatic machinery consisting of the Ministry of Foreign Affairs and diplomatic missions based abroad are terribly understaffed. There is no dedicated core of staff looking after regional and multilateral affairs. Only recently the Ministry has established a Regional Organizations Division, but the staffing is still skeletal. Most of the missions have a pillar-type structure with one Ambassador, one diplomatic officer, and one assistant diplomat.

### **Proactive Regional Policy**

Nepal need a proactive regional policy backed with efficient and pragmatic regional diplomacy. This requires understanding what is happening around the region and regional diplomacy, especially the regional policy and engagement of India and China. There is need to shift Nepal's regional policy focussed on balancing relations between India and China (equidistance and equi-proximity) to that of maximizing the dividends of the economic prowess of both the countries.

***Creating an overarching framework for Nepal's regional policy:*** In Nepal, we have yet to create a regional discourse on foreign policy and diplomacy. In his *Pax Indica*, Shashi Tharoor suggests creation of a policy of "multi-alignment", a hint that India is going to engage with multiple regional global fora simultaneously. We need to take note of these developments and reorient ourselves accordingly. We need an overarching regional policy. Stand-alone micromanagement of each situation one by one will not help. Meaningful regional policy will require focusing on core sectors, such as energy and hydropower, where the bulk of investment and trade is needed.

***Evolving principles for regional engagement:*** In the SAARC, the principles for cooperation adopted by the SAARC Charter have negative connotations, such non-intervention in the internal affairs, non-substitution of existing bilateral and multilateral cooperation and non-inconsistency with bilateral and multilateral obligations. While these principles are very important, real regional cooperation can only achieved if it is based on:

- a) Sincerity and fair play of all players;
- b) Necessity of value addition to the bilateral efforts from the collective efforts for economic integration;
- c) Mutuality of benefits and creation of win-win formulae;
- d) Direct benefit to the people;
- e) Popular support (near consensus) to policies adopted; and
- f) Sincere implementation of pledged policies and programmes.

We should seek to build our regional policy and regional engagement based on these principles.

**Politically speaking:** When the SAARC was created *sans* contentious political and bilateral issues, the core objective of cooperation was economic. This was warranted by historical nature of political relations, especially between India and Pakistan. It was necessary to avoid contentious political issues, as they could derail the economic cooperation. Today, it is a foregone conclusion that slow progress in economic cooperation in the region is a derivative of slow progress on political issues, especially lack of mutual trust and confidence between the countries in the region.

But the time has come for the SAARC to graduate from that phase. In his *Indian Foreign Policy and its Neighbours* (2001), Indian diplomat-turned writer J. N. Dixit had written that “time has come for the SAARC not shy away from becoming a forum for discussions on political issues which afflict the countries in the region”. He even suggested that the Heads of States should exchange views on political issues “putting their heads together to evolve practical and viable solutions”. He even listed security issues such as mutually agreed defence budget cuts and reduction in the size of armed forces in the ambit of political issues that the SAARC could start discussing in order to create what he calls “a practical and durable framework for stable regional equations”. Talking disarmament may be too far-fetched. But the SAARC can start discussing security and political issues that have hampered the meaningful regional economic cooperation. Only taboo should be against discussion of internal political matters or matters of strict bilateral nature. This can be a tall goal for SAARC. But it must be admitted that the goal of economic integration cannot proceed well in absence of a political understanding and goodwill among the member states. This has also been acknowledged in the *Non-alignment 2.0* report cited above, which says, “We have to recognise that no regional integration is possible unless there is ideological convergence on

basic political values in the region”.

**Engaging with regional think tanks and Track Two:** There is also need of more Nepal-based regional think tanks, of which there is a real drought at the moment. Nepal should also seek to enhance its Track Two diplomacy regionally. The Government has to start creating and engaging with the think tanks more seriously and more regularly than it is doing now. The potentials for further exchanges among parliamentarians, academicians and professionals in various fields among the countries of the region should also be encouraged. There is also a greater need to engage the South Asian Diaspora around the world for collectively promoting the interest of the region globally.

**Freeing regional policy from Indo-centric notion:** Our regional engagement should be freed from Indo-centric notion in our foreign policy, something we have to do without provoking the sensitivities of our neighbours and friends in the region. Freeing the “security first mindset” will require creating genuine assurances on their security concerns. Assuring the security concerns of our neighbours has become the cornerstone for winning their trust and confidence for a meaningful regional cooperation.

**Making Inroads to East and Central Asia:** Nepal can also make efforts to enhance its regional role in Central Asia. Membership to the Shanghai Cooperation Organization (SCO) would be strong entry point in this regard. There is no reason why Nepal should not be admitted to this regional grouping while Afghanistan is already a member. We should also enhance our role through proactive participation in the Boao Asia Forum (BAF) and the Kunming Initiative. Recent debacle like refusal of the President to attend the Kunming Expo on protocol grounds does not speak well for Nepal’s regional diplomacy, if what is reported is correct. In these fora we cannot just engage in damage control exercise, as was done by sending the Vice President instead. There are opportunities arising out of connectivity to Central Asia. For example, the initiative on Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline has possibility of opening of connecting the energy markets between the Central and South Asia.

**Engaging in a more meaning sub-regional cooperation:** There is also good potential for engaging in more meaningful sub-regional cooperation, especially if we focussed on the economic side of it. When the officials of Bangladesh, Bhutan, India, and Nepal met under the banner of South Asian Growth Quardrangle (SAGQ), there was political apprehension among other SAARC members that it would exclude other members. But when this project was handled as the South Asian Sub-regional Economic Cooperation (SASEC)

under the auspices of the Asian Development Bank, the project for investment in transit and transport infrastructure among the four countries of the sub-region has been progressing relatively well. Freeing economic issues from political considerations will be a big challenge in the regional policy of Nepal.

***Learning from other regional bloc's negative and positive experiences:***

Regionally, SAARC can learn from the positive as well negative experiences of other regional groupings such as the EU and ASEAN. For example, we can take lessons from the EU's failure to regulate its financial sector (cause of current Euro-zone crisis and austerity platforms) before proceeding to a monetary union. Being close to India and China does not necessarily guarantee flowing to Nepal automatically. The experience of Europe tells us so. Despite their proximity to Europe, regions like North Africa and the Balkans are left behind. , That is why Kishore Mahabubani says, "Europe has failed to engage its neighbours in its proximity" and for that matter failed in its global responsibility"<sup>12</sup>. South Asia should also stand to gain from the ASEAN's connectivity master plan, and the implementation the of Asian Highway and, Asia Railway networks.

***Broadening inter-regional cooperation:*** Regional cooperation that demands a serious review especially in the context of South Asia is the need for broadening inter-regional cooperation. The current mechanism of occasional dialogue and sharing of experiences falls short of actual need for a really meaningful inter-regional cooperation, say between South Asia and other adjoining regions, such as East Asia, Central Asia, and Southeast Asia.

***Utilizing opportunities available through regional frameworks:*** We must start taking advantage from the regional trade agreements, while global trade negotiations are stalled and while the concessions obtained in these agreements in favour of LDCs should be utilized properly. While progressive implementation of SAFTA is very important to ease remaining non-tariff barriers, there is room for making the Trade in Services making really effective. Nepal should proactively participate in the negotiations of the SATIS agreements. We should also endeavour to finalize the regional agreement on transit and investment that are currently being negotiated.

***Upgrading controversial bilateral agreements to regional agreements:*** One of the ways to free the economic cooperation issues from sticky bilateral political controversy is to take them to the regional level. For example, Bilateral Investment Promotion and Protection Agreement (BIPPA) between Nepal

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<sup>12</sup> Mahabubani, Kishore (2009), *op.cit.*

and India is awaiting final ratification and implementation, mainly owing to political opposition in Nepal. If such agreement is done at the regional level, it is likely to reduce such political sensitivity. It should not be difficult in the sense that India already has such agreement with other countries in region. India and Bangladesh signed their BIPPA in February 2009. Similar sensitivity can be reduced in issues related to transit, mutual legal assistance and extradition, if the countries in the region sought to enter into a regional treaty, instead of doing it bilaterally.

***Creating a separate multilateral and regional diplomatic stream in the Foreign Service:*** Probably, the time has come for the Nepalese Foreign Service to consider about the need to creating a subgroup for regional and multilateral diplomacy within the Foreign Service.

***Regional diplomacy should be backed by strong domestic support:*** Lastly, a weak state cannot promote a strong regional or global diplomacy. The state of flux in domestic situation is having a direct bearing on foreign policy as well. Our regional diplomacy must be backed by strong domestic support and a full appreciation of strategic considerations and our maneuverability.

In conclusion, we have to shape and execute our regional policy based on the space and opportunities available for us. For that, we must understand the underpinnings of the regional policies of big powers, blocs and our neighbours. To evolve a “grand regional strategy” may sound like highly ambitious for a country like Nepal. But we must have a regional policy, which is a bit clearer than “active participation” in regional cooperation organizations. For this to happen there has to be an enlightened consciousness and discourse on regional policy backed by political consensus, track two processes, think tanks and professionalism of our diplomatic machinery. Regional diplomacy should not be left as the footnote of our foreign policy, as it is usually done until now.

## **Dr. Dinesh Bhattarai's comments on Dr. Madhu Raman Acharya's Paper**

Dr. Dinesh Bhattarai, former Permanent Representative to UN, Geneva was the commentator for Acharya's paper. Applauding Acharya on his paper, Bhattarai too reasserted the importance of regional diplomacy. Bhattarai pointed out that Nepal is in the midst of a changing environment and so, rather than being the leader of foreign policy doctrines, it is choosing to fit neatly into the foreign policy practices already set up by other countries.

In a similar vein, Bhattarai also highlighted the importance of political stability for economic development. He claimed that South Asia itself needs to find a solution for South Asian problems that are created and compounded by external actors. For example, South Asian Association for Regional Cooperation (SAARC) observers far outweigh the number of SAARC, he pointed out. Furthermore, because of the growing influence of China in the region and the world too, Bhattaria sensed that until and unless certain matters are handled sensitively, there is scope for things to go massively wrong in this region. This is also why security issues should mark the forefront of the SAARC.

Bhattarai underscored the fact that in order to increase Nepal's role regionally, we need to look beyond our sole two neighbors India and China. Instead, he argued that we must focus our attention on the region as a whole. He even cautioned that as soon as India and China lose interest in Nepal, Nepal's foreign policy will break down. Pointing to the fact that there is a serious diplomatic deficit in the country, Bhattarai claimed that without doing proper homework, we cannot take proper foreign policy decisions. He called attention to the important strategic geo-political location of Nepal and asked that we need to understand the dynamism of Nepal.



## Floor Discussions

The seminar organized by the Institute of Foreign Affairs on the 14<sup>th</sup> of June 2013 attempted to address the issue of *Enhancing Effective Participation of Nepal in International System* led by Kul Chandra Gautam, Former Assistant Secretary General of the United Nations and Deputy Executive Director of UNICEF. Tracing Nepal's history in the international arena, his main arguments revolved around the need to enhance the role of Nepal for increased and effective participation in the international system. Gautam, pertaining to his main argument, listed out certain key recommendations that could help Nepal gain more prominence in the international stage.

The commentator for Gautam's paper was Professor Dr. Sushil Raj Pandey, professor at Tribhuvan University. Pandey, first of all, summed up Gautam's paper as dealing with the prospects and problems Nepal faces in foreign policy and how to deal with them. He pointed out the fact that this debate has been ongoing since the beginning of diplomacy and we are still caught up in a political quagmire about how to approach the problems and prospects Nepal faces in the foreign policy.

However, Pandey asserted that he differs from Gautam's arguments in fundamental respects. Noting that Gautam identified an ultra-nationalistic Nepali sentiment being derived from an essential anti-Indian sentiment, Pandey stressed that this was not the case. Pandey argued that rather than viewing the sentiment as "ultra-nationalism", it should be viewed as a "pro Nepal politics" that fundamentally protects Nepal. Therefore, this sentiment has nothing to do with "anti-Indianism," which in turn has nothing to do with our Nepali nationalism. Pandey asserted that Nepali nationalism is something that is geared towards protecting our national sovereignty.

Pandey also stressed the need to add more dynamism to our regional body, the South Asian Association for Regional Cooperation (SAARC). Underscoring the

need for a new regionalism, he highlighted that it is high time to make relations across borders more practical. Calling attention to the need for reforms across governmental sectors, he pointed out the necessity of enhancing the role of the Ministry of Foreign Affairs. Until and unless certain reforms are made to various government bodies as well as the country, Pandey also warned of a serious brain drain as a result of all the younger generation Nepalis leaving the country.

There are four levels for Nepal to participate in, Pandey claimed, the first being the global level wherein Nepal's participation must be enhanced. Secondly, the inter-state level, which binds state actors to act a certain way, also has to be addressed. Thirdly, the domestic level, wherein a lot of benefits can be derived from Nepal's geostrategic location as well as diversity, needs attention. And finally, the individual level has to be addressed where we look at our national leaders and their decision-making style. Pandey claimed that Gautam fairly addressed all these levels, and thus ended his comments.

The section that ensued was the Question and Answer segment. There was a lively session wherein divergent opinions, ideas and concerns were expressed. After all the questions were received from the floor, Gautam moved on to address them and give his inputs on the various comments received. He humbly agreed with most of the comments that were received from the floor. Admitting that the scope of his paper was limited, he said that he did not get into a lot of issues that demanded attention because of time and space constraints.

Dr. Bishnu Hari Nepal, former Ambassador to Japan, pointed to the issue of Nepal's shameful defeat in the UN. He questioned where the failure of the country lay, and how it could be understood through works of scholars like Huntington, Fukuyama, among others. Additionally, he also inquired about how we can improve SAARC's position in the region, and also globally. Addressing Bishu Hari Nepal's comments that pertained to Nepal in the regional arena and particularly improving the standing of SAARC, Gautam claimed that because the focus of his paper was on Nepal in the international arena rather than in the regional arena, he did not address the issue of SAARC or other regional groupings.

Mr. Kedar Bhakta Shrestha, former Ambassador to the EU and America, commented on the need for Nepal to try to be at the top of the UN peace-keeping missions. He also stressed the need for an increased role of economic

diplomacy, all the while with a concern for the environmental issues. Addressing Shrestha's comments, Gautam succinctly put it that he agreed with the views.

Mr. Dinesh Khatri disagreed with Gautam and claimed the utmost relevance of the Non-Aligned Movement (NAM) for Nepal. The NAM is something that is very essential for our dealings with our neighbors, and therefore to this date remains very relevant. Additionally, he also emphasized that apart from securing leadership in INGOs and other international bodies, Nepal's group representation must also be increased. Khatri pointed out that although the G20 may be more inclusive than the G8, it is more integral for Nepal to have a louder voice in the G20 so that its concerns can be placed and heard. The only way for weaker countries to increase its power in international groupings is by increasing group representation. Thirdly, he pointed to the need to focus on neighbors because without appeasing the neighbors, Nepal cannot go far in foreign policy. And lastly, he raised the issue of discouraging visitors from residing at the Ambassador's residence. This point yielded a lot of support from the audience. Gautam clarified his stance on Dinesh's question saying that he did not imply the complete irrelevance of the NAM; rather his point was that the NAM has become less relevant in the present global context. Gautam pointed out that unlike the Cold War period, the post Cold War period is not marked by a divide between the Communist Camp, the Free World Camp and the NAM countries. Today, issues like the rogue states demand more attention, and the threats of the 21<sup>st</sup> century have changed and must be tackled accordingly.

Mr. Shree Ram Upadhyay, a retired professor of Tribhuvan University, asked Gautam to back his argument that King Gyanendra "played cards against India" with some concrete evidence. He also wondered what the point of engaging with donor agencies was if all Nepal needed to do was to share the good side of the story with them. Essentially, he opined that it is important to tell the international community about the sorrows of Nepal in order to secure foreign aid.

Mr. Shree Ram Upadhyay's concern about painting Nepal in a positive light impacting the foreign aid we receive negatively was put to rest by Gautam when he claimed that sharing the positive experiences of Nepal does not merely mean that we do not need aid. In fact, we need to let the international community know that if Nepal can achieve so much with so little thus far, it has potential for greatness once things are in context in Nepal. Moreover,

Gautam also asked that Nepal be slower in signing treaties and think before making commitments. As per Gautam's line of thinking, once a commitment is made and a treaty signed, Nepal must strictly abide by it.

Mr. Naresh Rimal saw the need to see the old paradigm in a new environment. Criticizing Gautam for mixing too many issues in his argument and his paper, Rimal argued that foreign policy is not abstract. He advised that old theories should not be given too much importance. Rather, new literature should be read and focused upon. He concluded his comments by emphasizing the need to underpin what it is that we want as Nepalis in the regional as well as the international system.

Mr. Kosh Raj Koirala, a journalist with the Republica national daily, expressed that Nepali diplomats are neither well trained nor professional. Comparing the case with India, where it takes approximately three years to be a diplomat, he claimed that Nepal lags far behind in terms of professional and well-trained diplomats and has a long way to go. He also highlighted the need to reform institutions like the Institute of Foreign Affairs (IFA).

Ms. Ayushma Basnyat, an intern at the IFA, inquired how much of a hindrance domestic politics is on Nepal's foreign policy. Gautam, addressing the question of domestic politics being a hindrance on the foreign policy, said that having structures of good governance at home always helps having better foreign policy abroad. And indeed it would be a huge benefit if the domestic politics of Nepal were stable and functional for domestic politics and foreign policy are inextricably tied together. Gautam also talked of the need to nurture the IFA.

Colonel Dr. Prem Singh Basnyat focused his attention on UN peace-keeping and the involvement of the Nepalese Army in it. He asked that there be fact finding missions to assess the reality of the human rights accusations levied against Nepal. He essentially asked that the negative imprint of Nepal on the UN peace-keeping missions be removed by resolving to fact-finding missions. In addressing Colonel Prem Singh Basnyat, Gautam pointed out to the fact that we need to do our job better. In fact, Gautam asked if Nepal had ever tried to rebut any of the claims that accused Nepal of human rights violations. Gautam claimed that instead of channeling our energies to rebut such claims, Nepalis get occupied in being "overly-defensive". Moreover, he stressed that occasionally Nepal needs to accept our problems so that we can hold our head high as a country, and also to increase our credibility.

After all the comments were addressed, Bhek Bahadur Thapa, former Minister of Foreign Affairs and also former Ambassador to us and India, took over the session before concluding it. He pointed out the fact that foreign policy cannot be isolated from domestic politics. Thapa claimed that Nepal has moved from a *Ranakaran* to *Prajatantrakaran* to *Shahkaran* to *Partykaran* to finally a *Netakaran* today, pointing to the fact that our parameters remain largely unchanged.

Additionally, speaking of Gautam's proposed solutions to enhancing Nepal's participation in the international arena, Thapa claimed that his recommendations seemed more like a wish list rather than a practical and implementable action plan. Thapa admitted that although we know what the problem is, and what the solutions are, we do not work to achieve them. Thapa claimed that we rejected the past and are unable to resolve the future. Pointing to the fact that there is a reason to be concerned and that the status of Nepal is declining internationally, Thapa asked that we look into ourselves first and be sincere to ourselves in order to create change, all for a better and brighter tomorrow.

**Madhu Raman Acharya, in his paper “Enhancing Nepal’s Foreign Policy In The Regional Arena”,** argued that a regional policy requires a broad understanding of the objectives and instruments of regional diplomacy. In this age of growing interdependence, Acharya, who is a former Foreign Secretary and former Permanent Representative to the UN, pointed out that it will be easier to lobby for power in groups rather than as an individual country, especially for a relatively weak country like Nepal. Emphasizing the need to adopt a proactive regional policy, Acharya said his paper shared his insights into how this can be achieved.

Dr. Dinesh Bhattarai then commented on Madhu Raman Acharya's Paper. Following Bhattarai's comments, a question and answer session saw enthusiastic audiences equipped with eager questions for Acharya, as well as Bhattarai.

Dr. Bishnu Hari Nepal, former Ambassador to Japan, pointed to the issue of denuclearization as being problematic for the region. He expressed his concerns over the security aspect of the region and claimed that we cannot discount the fact that this region possesses some conflict prone zones that can be potentially dangerous for the stability of the region as a whole.

Colonel Dr. Prem Singh Basnyat questioned how we call ourselves a sovereign nation. He pointed out to the fact that Nepal has not had a chance to ratify its treaties since the Sugauli Treaty as well as The 1950 India-Nepal Treaty of Peace and Friendship leading him to ask how sovereign we really are as a nation?

Mr. Shree Ram Upadhyay, a retired professor of Tribhuvan University inquired if the removal of the American troops from Afghanistan would influence Nepal in anyway. Additionally, he asked Acharya for evidences of where Nepal had helped India and China.

Prof. Dr. Gopal Pokharel, Former Executive Director of IFA, asked a question that concerned the importance of the Gujral Doctrine. Moreover, referring to Daron Acemoglu and James Robinson's *Why Nations Fail*, he asked what it is that is causing Nepal to be a failing state?

Mr. Ratindra Khatry, a Former Nepal Army General, suggested that the concept of regional peacekeeping forces be introduced in the South Asian region in order to strengthen the security dimension of our region.

Mr. Deepak Dhital, Joint Secretary at the Ministry of Foreign Affairs, emphasized that Nepal can be in the center of regional cooperation. Moreover, he asserted that the idealism that we have tried to establish wherein we are trying to promote a regional framework is incomplete. He highlighted that a regional framework has so much potential, and yet not much has been done in this regard. He suggested that Nepal needs to learn from the European Union (EU) as well the Association of South East Asian Nations (ASEAN). Mr. Dhital stressed that regional organizations are a growing reality today and we need to get in tune with the process. This way, we can focus on mutual economic interests. Lastly, he reasserted that we cannot get trapped between idealism and realpolitik and must emerge above it.

Mr. Chauyen Lai Shrestha, member of the Nepali Congress expressed his dismay at the fact that many currently employed ministers and ambassadors chose not to attend the seminar. His concern was that if they been there, they could have implemented the suggestions offered during the seminar. Shrestha also stressed the need for the IFA to be more research oriented.

Dr. Lhamo Sherpa, a social activist, inquired how human trafficking fits into the regional cooperation of South Asia, and how Nepal's Foreign Policy addresses this issue and what is India's role in it.

Prof. Dr. Mohan P. Lohani, Former Executive Director of the IFA, claimed that terrorism is a growing problem in the region, and the regional mechanism to address it is the SAARC. He also called for the reforms of the SAARC and the need to come up with sub branches of the SAARC like ASEAN 's ASEAN Regional Forum (ARF), for example.

Joint Secretary at the Multilateral Economic Diplomacy Division, Mr. Krishna Dhakal expressed his dissatisfaction at some of the trade regulations that Nepal is under. For example, Nepali exports are accepted at a 0% tariff by India because of which Nepal loses out. He also pointed out that after the failure of the Doha Rounds, regionalization has grown. He said Nepal was in a weak position to derive competitive advantage from the regional organizations such as SAFTA and BIMSTEC.

Addressing all the questions from the floor, Madhu Raman Acharya first of all claimed that there were a lot of issues he would have liked to discuss; however because of the time and space constraints, he could not address them. He claimed that the question of dynamism is very important for Nepal. Along that note, he also agreed on the need for creating a regional peace-keeping force. However, Acharya differed from one of the participants who called for SAARC to emulate the footsteps of ASEAN or the EU. He claimed that these two organizations are much too advanced for SAARC to emulate. Therefore, he claimed that the road ahead is a long one for SAARC to achieve that height. But nevertheless, he did emphasize the need to sharpen our regional policy and get pragmatic with our policies. In the end, he concluded by saying that regional policies should be at the forefront of Nepal's foreign policy and diplomatic strategy, and not at the footnote.

Expanding on Acharya's sentiments, Professor Dr. Lok Raj Baral, who was the chair for the session, highlighted the importance of a renewed agenda of regionalism in South Asia. However, he claimed that the EU and the ASEAN would not prove to be good models for the SAARC to emulate as they are already on a decline. He further claimed that as good as a strong bilateral relation can be, it can also be a hindrance to regionalization sometimes. Pointing to the fact that although we have not managed to have a strong regionalization process yet, he noted that countries within our region continue to grow strong, like China and India. However, he did emphasize the need for a strategic convergence for a strong regionalism.

Baral was also not shy to hide the deficiencies of the region, and in particular, Nepal. Claiming that domestic politics indicates a lot about foreign policy

of the country, he linked the poor domestic condition of Nepal to its poor foreign policy. For example, a number of positions for the Ambassadorship of the Government of Nepal remain vacant in various countries. So, he said it is better to try to focus on the domestic politics before moving on to the foreign policy arena. Lastly, he ended his comments by asserting that although great powers are competitive, they are also cooperative and we need to use this side for our gain.

In the end, closing remarks were offered from the Executive Director of the IFA, Dr. Rishi Raj Adhikari. After expressing his heartfelt gratitude to the members of the panel as well as the audience, he opined that efficiency should be increased in order to enhance effectiveness on all levels within the bureaucracy. He expressed his discontent with the lack of budget as well as resources to enhance effectiveness of IFA. However, he acknowledged the positive reform that will ensue once all the government bodies, including the IFA, are equipped with necessary resources.



## **List of Participants in the Seminar**

1. Mr. Madhav Prasad Ghimire  
Hon'ble Minister for Foreign Affairs
2. Mr. Durga Prasad Bhattarai  
Foreign Secretary, MoFA
3. Mr. Buddhi Narayan Shrestha  
IFA Board Member
4. Mr. Om Charan Amatya  
IFA Board Member
5. Ms. Pramila Rijal  
IFA Board Member
6. Prof. Dr. Mohan P. Lohani  
Former Executive Director of IFA
7. Prof. Sridhar K. Khatri  
Former Executive Director, SACEPS
8. Mr. Nishchal Nath Pandey  
Former Executive Director, IFA
9. Prof. Dr. Gopal Prasad Pokharel  
Former Executive Director, IFA
10. Dr. Anjan Shakya  
Former Deputy Executive Director, IFA
11. Mr. Arjun Bahadur Thapa  
Joint Secretary & Spoke person of MoFA
12. Mr. Deepak Dhital  
Joint Secretary, MoFA
13. Mrs. Ambika Devi Luitel  
Joint Secretary, MoFA

14. Mr. Niranjan Man Singh Basnet  
Chief of Protocol, MoFA
15. Mr. Amrit Rai  
Joint Secretary, MoFA
16. Mr. Yagya Bdr. Hamal  
Joint Secretary  
SAARC Section, MoFA
17. Mr. Jiban Prakash Shrestha  
Under Secretary  
BIMSTEC/MED Section  
MoFA
18. Mr. Kali Prasad Pokharel  
Joint Secretary  
South Asia Section  
MoFA
19. Ms. Rita Dhital  
Under Secretary  
NSEA Section, MoFA
20. Dr. Durga Bahadur Subedi  
Under Secretary  
Office of Spokesperson  
MoFA
21. Mr. Pushpa Raj Bhattarai  
Under Secretary  
UN Section, MoFA
22. Mr. Suresh Adhikari  
Under Secretary  
UN Section, MoFA
23. Mr. Hem Lal Bhattarai  
Deputy Chief of Protocol  
Consular Section, MoFA
24. Mr. Krishna Prasad Dhakal  
Joint Secretary  
Multilateral Economic Diplomacy Division  
MoFA

25. Mr. Tirth Raj Aryal  
Under Secretary  
Passport Department, MoFA
26. Ramesh Prasad Khanal  
Director General  
Passport Department, MoFA
27. Mr. Dhan Bahadur Oli  
Director (Nepal)  
SAARC Secretariat
28. Mr. Nirmal Raj Kafle  
Under Secretary  
Europe America Section  
MoFA
29. Mr. Ananda Sharma  
Under Secretary, MoFA
30. Mr. Madhuraman Acharya  
Former Permanent Residence, UN, New York
31. Mr. Tanka Karki  
Former Ambassador to China
32. Mr. Kedar Bhakta Mathema  
Former Ambassador to Japan
33. Mr. Kedar Bhakta Shrestha  
Former Foreign Secretary and ambassador to USA
34. Dr. Dinesh Bhattarai  
Former PR to UN, Geneva
35. Prof. Dr. Bishnu Hari Nepal  
Chairman, Dilli Raman Trust  
& Former Ambassador to Japan
36. Dr. Kulchandra Gautam  
Former Asst-Secretary General, UN
37. Mr. Hiranya Lal Shrestha  
Former Ambassador to Russia

38. Mr. Mohan Man Sanjju  
Former Foreign Minister
39. Dr. Bhekh Bahadur Thapa  
Former Minister & Ambassador to US.
40. Prof. Dr. Novel K. Rai  
Former Ambassador to Germany
41. Prof. Lok Raj Baral  
Former Ambassador to India
42. Mr. Sundar Nath Bhattarai  
Former Ambassador to Thailand
43. Mr. Puskar Man Singh Rajbhandari  
Former Ambassador to Pakistan
44. Mr. Bal Bahadur Kunwar  
Former Ambassador to Pakistan
45. Mr. Keshav Raj Jha  
Former Ambassador
46. Mr. Prabal S.J.B. Rana  
Former Ambassador to UK
47. Dr. Shambu Ram Simkhada  
Former PR to EU, UN
48. Mr. Gopal Bahadur Thapa  
Former Chief of Protocol
49. Mr. Madhavji Shrestha  
Former Joint Secretary, MoFA
50. Mr. Hira Bahadur Thapa  
Former Acting Foreign Secretary, MoFA
51. Mr. Ram Karki  
Head of Foreign Relations Dept  
Unified Communist Party of Nepal (Maoist)

52. Mr. Suresh Ale Magar  
Member, Foreign Relations Dept  
Communist Party of Nepal - Maoist
53. Mr Rakesh Hamal  
Member, Foreign Relations Dept  
Nepali Congress
54. Mr Chauyen Lai Shrestha  
Member, Foreign Relations Dept  
Nepali Congress
55. Mr. Rajan Bhattraï  
Member, Foreign Relations Dept  
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65. Mr. Shyam Shrestha  
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67. Dr. Upendra Gautam  
General Secretary  
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76. Dr. Bal Mukunda Bhandari  
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77. Prof. Dr. Gopal Siwakoti "Chintan"  
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Former Ambassador to Denmark
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Department of Rural Development  
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Kathmandu Engineering Collage
84. Mr. Kanak Mani Dixit  
Himal Patrika
85. Mr. Kosh Raj Koirala  
The Republica
86. Mr. Lekh Nath Pandey  
The Himalayan Times
87. Mr. Devendra Bhattarai  
Kantipur Daily
88. Mr. Anil Giri  
The Kathmandu Post
89. Mr. Saroj Dhakal  
Nepal Samacharpatra
90. Mr. Chandra Shekhar Adhikari  
The Annarpurna Post

91. Ms. Nirmala Acharya  
Rastriya Samachar Samiti
92. Mr. Sachen Gautam  
Naya Patrika Daily
93. Mr. Santosh Ghimire  
Journalist
94. Yubaraj Ghimire  
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95. Mr. Gopi Nath Dawadi  
Former IFA Board Member
96. Ms. Laxmi Sharma  
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99. Mr. Balananda Sharma  
Lt. General (Retd.)  
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101. Mr. Sanat Basnet  
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111. Mr. Mahendra Joshi  
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112. Mr. Subhash Lohani  
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113. Ms. Binita Shrestha  
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114. Mr. Sanuraj Puri  
IFA
115. Mr. Rajendra Magar  
IFA
116. Mr. Nish Magar  
IFA
117. Ms. Mina Magar  
IFA.

**(Part Two)**

**A Talk Programme  
On  
“Climate Change as a Security Risk in South Asia”**

**10 October 2012  
Kathmandu**

Jointly organized by the Institute of Foreign Affairs and  
Frederich-Ebert-Stiftung (FES-Nepal)



Welcome Address By  
**Mr. Dev Raj Dahal**  
**Head of Friedrich-Ebert-Stiftung-Nepal**

**Honorable Dr. Keshav Man Shrestha,**  
**Executive Director of IFA Dr. Rishi Raj Adhikari,**  
**Dr. Christian Wagner,**  
**Ladies and Gentlemen,**

It is with great pleasure that I welcome you all to this seminar. We all know, South Asia remains vulnerable to climate change. Industrial civilization is melting the Earth's third largest pool of glaciers of Himalayas and Tibetan plateau that nourished the South Asian civilization. An ICIMOD study shows that Nepal's glaciers have shrunk by 21 percent over 30 years. The biodiversity rich but fragile ecosystem of the region offers livelihood support to 210 million people downstream, and must be protected. Each country of the region has its one mitigation plan. For the national adaptation plan of action, Nepal has prioritized Glacier Lake Outburst Flooding control project.

Changed land use and attrition of fertile soil is eroding agricultural land's capacity to support livelihood and risks inducing migration of mountain and hill people to the highly dense plain areas. This may spark local and trans-border resource competition. Climate change imposes economic effects on production and social peace. Warming temperature and atmospheric pollution by carbon dioxide build up are making monsoon rains unpredictable which in turn affects agriculture. Nepal, once a grain exporting nation now faces food insecurity for nearly 3.5m people. Adoption of neo-liberal policies in Nepal removed the government's subsidy for agriculture and reduced agricultural production. Both production and distribution are problems of Nepal's agriculture. Agricultural production has become a high cost investment with diminishing returns due to shortage of fertilizers, irrigation facilities, manpower, poor market and cut in subsidies. As a result, South Asian peoples are living in a condition of increasing population and decreasing natural resources. Vulnerable regions require high level of

resource investment in adaptation measures including protection of pasture land in the high mountains and Himalayas. Excessive consumption of fossil energy, deforestation and desertification are alarming. They are instilling in us a consciousness of our relations with the vital forces of nature and different orders of life—plants, insects, birds, animals and micro-organisms – all linked to each other within the life’s cosmic web.

The mountain regions of the Himalayas are vulnerable in ecological terms. The region’s average temperature has increased by 1.2 degree Celsius and could get warmer with 2 degree Celsius by 2030. The overall monsoon rainfall indicates a decrease and low aggregation of snow in the Himalayas.

This environmental change has brought four critical challenges to conventionally defined means of development. Firstly, development studies require a shift in distribution of economic power to reduce the urban and the rural gap and decentralization of resources for climate adaptation. Secondly, sustainable approach requires green growth. Thirdly, the historical mode of unsustainable production, consumption and accumulation need to be altered and finally, a multilevel climate regulation framework is required to protect the environment including all living species, not just human beings. Effective institutions are required to provide early warning and monitor the international climate regime regulated by environmental treaties and impose graduated sanctions for violating its standards mutually agreed upon by leaders.

## **Redefining Development**

New development thinking presumes that human beings are not the measure of all things. Mindless development based on top-down ego-centric ‘rational choice’ largely discounts the social and the ecological costs for human civilization. In a regime of free-ride, poorer sections of society have to bear the brunt of risks because they do not have adequate means of defence. An accelerated change in land use for profit is not ‘system-sensitive’ as it brings environmental degradation and generates poverty. Poverty viciously fuels the source of conflict and imposes challenges to the political order, stability and peace. Breaking poverty trap requires certain amount of democratic equity to all people and awareness about the ties with the cyclical process of nature. Environmental challenges cannot be resolved in isolation from the rest of development policies—local, national and global, unless a balance is struck between the carrying capacity of Earth and self-control of human beings. Rethinking in a wider sense requires reviewing a wide range of consequences of climate change for livelihoods like unpredictability of monsoon affecting

agricultural, hydropower, disease pattern and security. Climate change also has direct and indirect effects on violent armed conflict of different kinds such as human displacements, migration, interstate war, civil violence, non-state group conflict and political instability. Nepal already experiences the effects of climate change in areas like loss of Himalayan glaciers, shortage of water supply, danger of glacial lake burst of the sort of Chho Rolpa, extreme weather events, fragile ecosystem, urban pollution, deforestation, over digging of mountains and rocks for sand and stones in Churia hills causing soil erosion, reduction of water level in flatlands Terai, and its vulnerability to floods like in the Koshi river. They are eroding natural shield affecting production and food supply.

There are opportunities to attract foreign investment in Clean Development Mechanism project including hydropower development to meet domestic needs of energy and irrigation and demand of power in the neighborhood. A cooperative approach to development assures trust. An entirely rational approach to climate mitigation is somewhat outdated as global climate change requires global policy response and multi-disciplinary policy intervention.

### **Moment to be Pro-Active**

Systemic, holistic approach and an attitude change in human beings are required to achieve sustainability. A shift from the over consumption of fossil fuels to alternative source of energy like solar, water, wind and biomass; processing of waste into energy and regeneration of nature is necessary to strike a balance. It requires ecological enlightenment, green growth and coordination of development policies. South Asian leaders have to upgrade the institutional capacity to address climate change by marking a transition to a low-carbon economy and to scale up interregional cooperation in hydropower, river management, flood data monitoring, etc. The economy requires policy shift to green growth and sustainable use of natural resources—materials, renewable energy, water and land for a just development under the doctrine of subsidiarity. Communication about the effects of climate change to the public and policy makers and their reciprocal feedback can contribute to prevent unwanted effects on agriculture and formulate adaptive and pro-active responses. Our common humanity offers us a common cause for protecting the nature.

**Thank you!**

## **Keynote address by Dr. Keshab Man Shakya, Hon'ble Minister for Science, Technology and Environment**

**Mr. Chair,  
Distinguished panelists,  
Honoured participants,**

Actually this is a talk programme, so I want to deal with the topic in a rather conceptual level rather than in a strategic and operational one.

### **Climate Change as Security Risk to South Asia**

I may not even go in explicit description of the specific South Asian issues because the discourse I am entering still needs a conceptual addressing. Today's climate change is a fact, and obvious. Scientific data has established that the climate system is growing warmer, and long term changes in climate are expected in the future. Therefore, we must address the unavoidable and undesirable outcomes of climate change. Most significant potential conflicts over resources will arise from intensified competition over access and control of resources. It may trigger violence, conflict and war which could result in destabilization, and jeopardize national and international security.

I think this is conceptually extreme form of expression that we may have to counter with. Climate change must now be the concern of policy makers in terms of security perspective. It is also learned that a wide ranging consensus is emerging on the relevance of climate change for security policies. I think this is what the main concern is about.

Now, let us look into environmental and social impacts as consequences of climate change in South Asian region. This will affect the high mountains which act as snow deposits or water tower for the South Asian geography. So, global warming and snow melting are causing a rise in sea level. Some of the islands are already in the process of disappearing. However, in the South Asian context, I think Bangladesh is in a vulnerable state already due to rise in the sea level.

The following factors need to be attended to :

- **Changes in the monsoon rains and rainfall intensity:** That is what we will be facing in our agricultural and natural resources management.
- **Melting of glaciers in the Himalayan region and glacial lake outburst floods:** which we are facing even now.
- **Climate induced storms, droughts, hell storms etc:** The frequency will increase exacerbating the existing environmental crisis.
- **Flood, water scarcity, soil degradation:** Water table may change. River flow will change its characteristics.
- **Environmentally induced migration:** Mass migration and pandemics are also the consequences because of changes in the status of resources.
- **Land use conflicts:** Leading to social, national, regional and even the international conflicts.
- **Terrorism and vandalism:** That will break up the existing security, making the world the worse place to live in.

### **Potential Impacts of Climate Change from the Security Perspective**

There is a need for resolute counter action to address the overarching needs of the society to build the adaptive capacities. If we fail to do so, this could result in the regional destabilization and violence, jeopardizing national and regional security. This will draw deeper lines of division and conflict in the international relations and trigger numerous conflicts within and between countries over the distribution of resources, especially water, and land. Conflicts will also arise over the management of migration or over compensation payments between the countries mainly responsible for climate change, and those countries most affected by its destructive effects to a new degree. This we already see during the conferences of the parties (COP).

Nepal has already established a negotiation team so we can go and debate internationally. Result in the migration as a climate refugee lead to environmental conflicts, war and violence. This is the worst scenario. This will make a room for countries, institutions, organizations with their racial interests to enter a country, impeding the security of a country, exacerbate poverty, cause environmental degradation and weaken national government. This will fuel resentment between those people responsible for climate change and those most affected by it and generally drive political tension nationally and internationally.

So, we cannot just overlook or undermine the local governance situation. If we can contain the issue locally, that may really stop spreading at the larger scale.

**The solutions:**

- recognizing the importance of comprehensive policy responses.
- enhancing the capacity of local governance, which is a major factor determining whether this kind of conflict can be resolved politically or will cause destabilization.
- Incorporating climate change into the national security strategy planning.
- formulating the global climate policy could also address the climate change in the national level.
- strengthening regional cooperation.
- making common position in the UNFCCC processes: This is what we do generally when we go into the international conference of parties meetings.
- enhancing South-South cooperation.
- strengthening the role of SAARC.

Climate change could also unite the international community by adopting a dynamic and globally coordinated climate policy. If we are smart enough, we can convert potential of conflict into a meaningful cooperation.

**Thank you.**



## **Presentation on Climate Change and Security in South Asia**

**Christian Wagner, German Institute for International and Security Affairs, Berlin**

### **Introduction**

With a population of 1.6 billion people, South Asia is home of more than 20 percent of the world population covering 3.3 percent of the global surface.<sup>1</sup> The region has always been characterized by conflicts with regional and international implications. Traditional inter-state conflicts over disputed territories like Kashmir or the Durand Line are often intermingled with intra-state conflicts over identity and development nurturing religious extremism, ethnic separatism and left wing violence. At present the stabilization of Afghanistan and Pakistan, and the fight against terrorism in various countries are the most visible security challenges in the region.

There are also positive developments in South Asia in recent years. The civil wars in Sri Lanka and Nepal have been brought to an end even if there is still no final solution to the underlying political conflicts. There is a strong engagement and support of the international community to support the process of reconstruction in Afghanistan and Nepal. All countries have at least democratically elected governments making South Asia the biggest democratic region in the world. The South Asian Association for Regional Cooperation (SAARC) passed its own Charter of Democracy in 2009 which underlines the commitment to strengthen democratic rule against authoritarian backlashes.

But the capacities of governments to deliver public goods are still limited. South Asia remains the global poorhouse with more people living below the poverty line than in any other part of the world. The Millennium Development Goals (MDG) will only be reached if poverty in South Asia will be tackled successfully. These developments underline, that South Asia will remain one of the most important crisis regions of the 21<sup>st</sup> century.

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<sup>1</sup> *South Asia includes the countries which are members of SAARC, i.e. Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The paper will focus on the five largest countries Bangladesh, India, Nepal, Pakistan and Sri Lanka.*

In such a crisis prone and economically vulnerable region it is obvious that the impact of climate change will sharpen ongoing conflicts and create new challenges. There are several scenarios in how far climate change will affect the region but the main effects and repercussions will be linked with water issues, be it the changed pattern in precipitation, the melting of glaciers or the rise of sea-levels. The rise in temperature will lead to a melting and retreat of glaciers in the Himalayas causing increased floods and soil erosion. Moreover, the changes in the water flow will jeopardize the water supply of millions of people. Changes in the annual pattern of the monsoon will have long term effect on agriculture and rural development. The rise of sea levels will pose new threats to coastal districts and mega-cities like Karachi, Mumbai and Chennai. The impacts of climate change may also result in a decrease of food production, limited access to water, the resurgence of diseases, and an endangerment of urban and rural ecosystems. The permanent loss of territory to the sea or the complete drowning of states as predicted for the Maldives will create totally new challenges for the region.

One of the most important and far reaching consequences will be an intensified migration from the rural areas and an increasing trend towards urbanisation. These are not necessarily new phenomena for South Asia. Forced migration by war, underdevelopment and environmental disasters is known to the region since many years. Climate change will therefore add another new dimension to it when these constellations become permanent so that governments have to deal with migration and resettlement issues in a much larger scale than before.

The answer to cope with the repercussions of climate change seems to be simple at first sight: South Asian countries will need more and better governance. Climate change is not only an issue for international negotiations like in Copenhagen, Cancun, or Rio where the international community is looking for new governance structures in order to find a balance between the need for environmental protection on the one hand and the demand for growth and development on the other hand. There is a requirement for new international regimes to support developing countries in the process of adaptation with financial and technological cooperation. But climate change will also increase the necessity to intensify regional cooperation in order to cope with the cross border impacts in the different ecosystems. In South Asia, the mountains ecosystems of Nepal and Bhutan pose different challenges with regard to climate change and will require different solutions compared to the changes in the maritime zones of the Maldives, Sri Lanka, and the coastal areas Pakistan, India, and Bangladesh. Finally, the repercussions of climate

change will need more responsive governments which have to safeguard their population from its implication and have to deal with both the immediate and long term consequences.

But climate change is an ambivalent governance challenge. On the one hand it is a slow process so that governments and societies have time to adapt. On the other hand, the slowness of the process includes the danger that governments may postpone necessary changes into the distant future and the next generation. The record of governance in South Asia is not very promising so far. Despite progress in many areas, governments have failed to provide public goods like education, health and security. Because of the lack of resources and capabilities it can therefore be expected that governments will hardly be able to handle the estimated effects of climate change which are less visible. Environmental degradation is still much less an issue in the domestic controversies and elections compared to education, health, and security that effect daily life of the people.

The argument is that climate change does not necessarily create new security or governance challenges. But the impact of climate change will aggravate already existing problems like migration or urbanisation. This is similar to the effects of climate events like floods and earthquakes in the past. These events mostly did not initiate new political developments but reinforced already existing political trends both in the positive and negative direction. In East Pakistan, the devastating hurricane of 1970 in which around 300.000 people lost their lives fuelled the already lingering conflict between the West and East Pakistan. In Sri Lanka, the dispute over the aid management after the Tsunami in 2004 worsened the already difficult relations between the government and the Liberation Tigers of Tamil Eelam (LTTE). The earthquake in 2005 in Kashmir, in contrast, strengthened the rapprochement between India and Pakistan so that Line of Control (LoC) became permeable first for aid support and later for trade and people-to-people contacts. The ability of governments to deal with the challenges of climate change can be deducted by a comparison with the provision of public goods like education and health. Hence, the first part of the paper will look at the national level and the effects, consequences and governance challenges. Secondly, the various bilateral conflicts between India and her neighbours, and thirdly the attempts for regional cooperation in matters of climate change will be analysed.

## 1. The Domestic Level: Climate Change and Governance

### 1.1. The Vulnerability of the Rural Areas

More than sixty years after independence South Asian economies are still dependent to a large extent on agriculture. Although the share of agriculture in the gross domestic product (GDP) in South Asian economies has declined over the years, the majority of the population still earns its livelihoods in the rural areas.

In India, the share of agriculture has declined to about 20 per cent of GDP, but almost three quarter on families in India are dependent on rural incomes.<sup>2</sup> Urbanization is no more than 30 per cent, which means that the majority of the population still lives in the rural areas. In spite of all political proclamations there have been no fundamental land reforms since independence in 1947. „Rural India is a funny place. In 60 years we haven't managed — except in three States — to push through any serious land reforms or tenancy reforms. But we can clear a Special Economic Zone (SEZ) in six months.”<sup>3</sup> Sustainable reforms have only occurred in a few states, and the rural areas still have obvious deficits concerning public goods like education and health.<sup>4</sup> Since the 1960s, food production has notably increased so that Indian farmers produce enough food for the growing population.<sup>5</sup> However, most programmes for rural development have been ineffective and the funds have vanished in the ramified networks of corruption and patronage. It is estimated that over 80 per cent of the rural population does not possess any land or if so, just cultivates small parcels.<sup>6</sup> „...85 per cent of landholdings are below five acres and about 63 per cent are below even three acres...”<sup>7</sup> The indebtedness of farmers has increased to dramatic levels. Between 1997 and 2005, an Indian farmer committed suicide every 30 minutes.<sup>8</sup> Investigations have shown that

2 See World Bank, *India Overview*, <http://www.worldbank.org/en/country/india/overview> (accessed 28.11.2012).

3 See P. Sainath, *The Decade of Our Discontent*, in: *The Hindu*, 9.8.2007, <http://www.thehindu.com/2007/08/09/stories/2007080950081000.htm> (accessed 18.6.2010).

4 Vgl. Dhananjay Mahapatra, *Rural Health System only on Paper: SC*, in: *The Times of India*, 2.10.2008, <http://epaper.timesofindia.com/Repository/ml.asp?Ref=Q0FQLzlwMDgvMTAvMDIjQXlwMDEwNA==&Mode=HTML&Locale=english-skin-custom> (accessed 18.6.2010).

5 See Wolfgang-Peter Zingel, *Genug Nahrung für eine Milliarde Inder?* In: Werner Draguhn (Hg.), *Indien 1999. Politik, Wirtschaft, Gesellschaft*, Hamburg 1999, pp. 217–233.

6 See P. Sainath, *The Decade of Our Discontent*, in: *The Hindu*, 9.8.2007, <http://www.thehindu.com/2007/08/09/stories/2007080950081000.htm> (accessed 18.6.2010).

7 See Dipankar Gupta, *The Caged Phoenix. Can India Fly?* London 2009, p. 106.

8 See P. Sainath, *One Farmer's Suicide Every 30 Minutes*, in: *The Hindu*, 15.11.2007, <http://www.thehindu.com/2007/11/15/stories/2007111554771300.htm> (accessed 18.6.2010);

Karin Steinberger, *Wer später stirbt, ist länger arm*, in: *Sueddeutsche Zeitung*, 4./5.11.2006.

40 per cent of the farmers would give up agriculture if offered an opportunity to do so.<sup>9</sup>

The agricultural situation in India's neighbour states is comparably bad. In Pakistan, feudal structures still dominate the agriculture sector in the province and Punjab and Sindh so that no noticeable land reforms were undertaken.<sup>10</sup> In 1980 the Federal Shariat Court declared land reforms to be un-Islamic, a verdict that was approved by the Supreme Court in 1989.<sup>11</sup> Nepal's rural development was hampered by the civil war from 1996 to 2006 and the destruction of the already insufficient infrastructure.<sup>12</sup>

Despite their high economic growth rates in the recent past, most South Asia governments have neglected the rural development. Agricultural productivity is low, and even when food production is sufficient, food security has decreased in many areas. Moreover, all South Asia countries are challenged with the provision of fresh water. Hence, domestic policy reforms focusing on better water utilization in agriculture become necessary.<sup>13</sup> The levels of poverty and underdevelopment still follow the urban-rural divide in most countries.<sup>14</sup> The neglect of rural areas has also strengthened left wing militant movements like the Naxalites which are classified by the Indian Home Ministry as the biggest domestic threat.<sup>15</sup> These developments underline the necessity for better rural development which is even more than 60 years after independence still missing.

## **1.2. The Effects of Climate Change: Migration, Urbanisation, Conflict**

Three-fifth of the cropped area is dependent rain-fed so that South Asian economies dependent heavily on the annual monsoons.<sup>16</sup> Hence, changes in

9 See *Given a Choice, 40 Per Cent Farmers Will Quit*, in: *The Hindu*, 1.8.2005, <http://www.hinduonnet.com/thehindu/2005/08/01/stories/2005080112260100.htm> (accessed 18.6.2010).

10 See Talbot, Ian, *Pakistan. A Modern History*, London 1999, p. 123, 231,

11 See Syed Mohammad Ali, *Land issues III: Pakistan's past land reforms record*, in: *The Daily Times*, 8. June 2010.

12 See Jeffrey Riedinger, *Prospects for Land Reform in Nepal*, in: *South Asia Bulletin*, 13 (1993) 1–2, pp. 23–34.

13 See Mukand S. Babel, Shahriar M. Wahid, *Freshwater under Threat. South Asia. Vulnerability Assessment of Freshwater Resources to Environmental Change*, Nairobi 2008.

14 See *South Asia Alliance for Poverty Eradication, Food Sovereignty*, [http://www.saape.org.np/resources/publications/poverty\\_report06/chapter\\_2.pdf](http://www.saape.org.np/resources/publications/poverty_report06/chapter_2.pdf) (accessed 4.9.2009).

15 See *Ministry of Home Affairs, Annual Report 2007–2008, New-Delhi 2008*, p. 19.

16 See Ulka Kelkar, Suruchi Bhadwal, *South Asian Regional Study on Climate Change Impacts and Adaptation: Implications for Human Development, 2007 (Human Development Report Office, Occasional Paper 2007/27)*, p. 5.

climate patterns for instance in the precipitation patterns of the Monsoon will have far reaching implication for South Asian countries among which India and Bangladesh would probably be most affected.<sup>17</sup>

The Indian government estimates that a temperature rise of two to five degrees would decrease the rice yield by about 20 to 50 per cent and the wheat production by about 35 to 60 per cent, while a one meter rise in sea level would cause the displacement of seven million refugees and the loss of 500.000 ha of land.<sup>18</sup> In such a vulnerable environment an increase in natural disasters would trigger large scale migration to the cities. In Pakistan, studies forecast that a rise of one degree in temperature will lead to a decline of wheat yields by six to nine percent.<sup>19</sup> The devastating floods in Pakistan in summer 2010 have demonstrated the vulnerabilities of South Asian societies vis-à-vis natural disasters. 20 percent of Pakistan's territory and 20 Million people were affected by the worst floods in the country's history which have further deteriorated the economic development. In Nepal the global warming and the rise in temperature between 1989 and 1991 was estimated to be 1.4 degrees Celsius resulting in a rapid retreat of glaciers in the Himalaya.<sup>20</sup> This has led among other things to the creation of more melt water lakes which are protected by unstable dams thereby increasing the danger of glacial lake outburst floods (GLOF).<sup>21</sup> At least 24 cases of GLOFs have happened in Nepal of which 14 are believed to have occurred in Nepal itself. The other ten events were the result of flood surge overflows across the China-Nepal border.<sup>22</sup> A study of ICIMOD identified 21 potentially critical glacier lakes in Nepal in 2010.<sup>23</sup> Moreover, experts are warning, that climate change will have negative impact on the health situation.<sup>24</sup> In Nepal, climate change may lead to outbreaks of Kala-azar and Japanese encephalitis in the subtropical regions of the country.<sup>25</sup>

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17 See *Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen (WBGU), Welt im Wandel. Sicherheitsrisiko Klimawandel, Berlin/Heidelberg 2007.*

18 See *Government of India, Dealing with the Threat of Climate Change. India Country Paper. The Gleneagles Summit, 2005, p. 2.*

19 See *Kalkar, Bhadwal 2007, p. 9.*

20 See *ICIMOD, Climate Change in the Hindu Kush Himalayas: The State of Current Knowledge, Kathmandu 2011, pp. 9/10.*

21 See *ICIMOD, Glacial Lakes and Glacial Lake Outburst Floods in Nepal, Kathmandu 2011, p. 4*

22 See *ICIMOD, Glacial Lakes and Glacial Lake Outburst Floods in Nepal, Kathmandu 2011, p. 9*

23 See *ICIMOD, Glacial Lakes and Glacial Lake Outburst Floods in Nepal, Kathmandu 2011, p. .32*

24 See *Kalkar, Bhadwal 2007, p. 10.*

25 See *ICIMOD, Climate Change in the Hindu Kush Himalayas: The State of Current Knowledge, Kathmandu 2011, p. 15.*

The effects of global warming and climate change will have far reaching implications for the rural areas and will lead to large scale migration. They will mostly affect small landholders or the rural poor who will try to seek new employment opportunities in the informal sector of urban agglomerates. The World Bank estimates that the share of urban population in India will increase until 2030 to 40 percent.<sup>26</sup> The effects of climate change may further intensify this process and increase the number of urban population. The present infrastructure in most cities is already not able to cope with the continuous inflow of migrants.<sup>27</sup> Moreover, even countries like India with its impressive growth rates have not been able so far to transform her economy fast enough so that rural migrants could get (labour intensive) jobs in an expanding manufacturing sector.<sup>28</sup>

Because of the sensitive ethnic balance in most societies national and cross-border migrations have often caused political conflicts. In Assam, in Northeast India, there are recurring tensions and riots between the local community ('sons of the soil') and the migrant workers from other parts of India or the migrants from Bangladesh. Labour migration from South India has strengthened radical parties such as the Shiv Sena in Mumbai. In Bangladesh, the national settlement policy caused a longstanding conflict in the Chittagong Hill Tracts between the settlers and various local (non-Muslim) tribes that opposed the migration of 'foreigners'. In Sri Lanka, the settlement and irrigation programmes of the Sinhalese majority governments have fostered the ethnic conflict in the North and East with the local Tamil and Muslim population. In Pakistan's Baluchistan province settlers from Punjab are often targeted by militant Baluch groups who fight for independence.

### **1.3. Water Stress and Water Conflicts**

The rise of sea levels and the melting of glaciers will also have far reaching implications for the already difficult water situation. Forecasts predict that water stress and water scarcity will further increase so that in 2050 2.5 billion

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26 See World Bank, *India Overview* <http://www.worldbank.org/en/country/india/overview> (accessed 28.11.2012)

27 See Vamsi Vakulabharanam, Sripad Motiram, *Understanding Poverty and Inequality in Urban India since Reforms*, in: *Economimc and Political Weekly*, December 1, 2012, Vol. XLVII, Nos. 47&48, pp. 44-52.

28 See United Nations Industrial Development Organization (UNIDO), *Industrial Development Report 2009*, [http://www.unido.org/fileadmin/user\\_media/Publications/IDR/2009/IDR\\_SUMMARY\\_print.pdf](http://www.unido.org/fileadmin/user_media/Publications/IDR/2009/IDR_SUMMARY_print.pdf) (accessed 18.6.2009).

people in South Asia will be affected.<sup>29</sup> The *Intergovernmental Panel on Climate Change* (IPCC) projected a decline in the annual runoff of the Brahmaputra and the Indus by 2050 which will have far reaching consequences for the riparian states.<sup>30</sup> In India, the agriculture sector is the largest consumer of water so that 85 percent of the water is used for irrigation purposes.<sup>31</sup> The rise of sea levels due to global warming will be accompanied by growing pressures on coastal cities like Karachi, Mumbai and Chennai and will have far reaching effects on the livelihood of fishing communities.<sup>32</sup>

Especially Bangladesh and Sri Lanka are likely to suffer severely from the consequences of this scenario. A rise in sea level would affect about two to three per cent of the countries' population causing again national and cross-border migration. Particularly vulnerable are the wetlands which are used for rice plantation. In Bangladesh four per cent, in Sri Lanka six per cent, and in Pakistan as much as twenty per cent of these land regions would be affected.<sup>33</sup> Especially Bangladesh would suffer under the extreme domestic and cross-border migration pressure. Illegal migration is already today one of the most contentious issues between India and Bangladesh. In the Himalaya region, the danger of glacial lake outburst floods (GLOF) will affect the livelihood of local communities.

Conflicts over water or irrigation schemes have triggered severe domestic conflicts in various South Asian countries. In India there are at present various are over sixty big water conflicts mostly between various federal states about the water utilization of big rivers.<sup>34</sup> One of the most prominent is the dispute over the distribution of the Cauvery water which includes the states of Karnataka, Tamil Nadu, Kerala and the Union territory of Puducherry which already dates back to the colonial period. The Karnataka state government constructed a range of levees for agricultural irrigation systems at the headwaters of the river. This affected the water supply of agriculture and industry at the lower

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29 See Ulka Kelkar, Suruchi Bhadwal, *South Asian Regional Study on Climate Change Impacts and Adaptation: Implications for Human Development, 2007* (Human Development Report Office, Occasional Paper 2007/27), p.4.

30 See Kelkar, Bhadwal, 2007, p. 15.

31 See Ulka Kelkar, Suruchi Bhadwal, *South Asian Regional Study on Climate Change Impacts and Adaptation: Implications for Human Development, 2007* (Human Development Report Office, Occasional Paper 2007/27), p.4.

32 See Susmita Dasgupta et al., *The Impact of Sea Level Rise on Developing Countries. A Comparative Analysis*, Washington 2007 (World Bank Policy Research Paper 4136), p. 45.

33 See Dasgupta 2007, p. 39.

34 See Biksham Gujja u.a., *Million Revolts' in the Making*, in: *Economic and Political Weekly*, 41 (18.2.2006) 7, pp. 570–574.



course in Tamil Nadu. A dispute settlement tribunal was set up but could not find a long-term solution because the local government in Karnataka tried to circumvent the decisions which would have benefited Tamil Nadu. In 1991 the controversy led to riots in each of the states against the citizens of the other state.<sup>35</sup> Similar disputes exist between Karnataka, Maharashtra and Andhra Pradesh over the Krishna River and between Gujarat, Maharashtra and Madhya Pradesh on the Narmada river. Water conflicts remain a sensitive issue between the Indian states and have urged the centre to intervene in order to find durable solutions.<sup>36</sup> The BJP Government proposed to link all rivers in order to meet the different interests. But there are both economic and ecological doubts on the feasibility of such a Mega project.

Pakistan is faced with similar challenges of water scarcity.<sup>37</sup> The dispute over the building of Kalabagh dam has created a heated controversy among the provinces.<sup>38</sup> The smaller provinces have refused the construction of the dam which would have been benefitted mainly the Punjab.

## **2. The Regional Level: Water Conflict and Cooperation in South Asia**

Water stress will increase and wars over water have always been projected as one of the main reasons for conflicts in the 21st century. There are already various water disputes between India and Pakistan, Bangladesh, and Nepal. However, these conflicts could be settled by various agreements so far.

### **2.1. India and Pakistan**

The conflict between India and Pakistan over Kashmir that started in October 1947 was first settled by various resolutions and a cease-fire agreement by the United Nations that divided the kingdom in 1949. The territorial conflict includes a high symbolic relevance for both countries because Kashmir can be associated with their ambivalent state ideas. For Pakistan, Kashmir symbolizes the conclusion of Jinnah's idea of a Muslim state which included all of the Muslim areas with a majority of Muslim population in the Indian subcontinent. For India in contrast, Kashmir symbolizes the secular character of the new state, which should be a home for all different religious groups.

<sup>35</sup> See Ashok Swain, *Fight for the Last Drop. Inter-State River Disputes in India*, in: *Contemporary South Asia*, 7 (1998) 2, pp. 167–180 (173).

<sup>36</sup> See J. Venkatesan, *Why can't the two CMs sit and sort it out? In: The Hindu*, 26. November 2012, <http://www.thehindu.com/news/states/karnataka/cauvery-row-sc-asks-tn-karnataka-cms-to-meet/article4136307.ece> (accessed 26.11.12).

<sup>37</sup> See Editorial, *Water scarcity*, in: *Dawn* 8. April 2010.

<sup>38</sup> See 'Backlash on KBD', in: *Daily Times*, 3. December 2012.

Kashmir is also of strategic importance because the “lifeline” of Pakistan, i.e. the Indus, Chenab and Jhelum rivers run through Kashmir. India as upper riparian state therefore can control the water flows without which the irrigation systems in the Pakistani province of Punjab could not be maintained. Despite their difficult bilateral relations, India and Pakistan concluded an agreement already on 4<sup>th</sup> May 1948 which contained rules for the water distribution in Punjab. A durable solution was achieved in 1960 when both countries signed the Indus Water Treaty that was brokered by the World Bank.<sup>39</sup> Even though Pakistan is dependent on the water supply of India, India did not use water as a weapon in the following conflicts between both countries. The controversy over the planned rise of the Baglihar-levée at Chenab to build a hydroelectric power plant could be resolved by international mediation in 2007. Both states proclaimed the decided-upon solution as a triumph for their cause.<sup>40</sup> Nevertheless there are continuous voices in both states which consider the existing rules unfair. India sees itself restricted in its possibility to use water for energy production in Kashmir. In Pakistan, the military fears that India may use water as a weapon.<sup>41</sup> Moreover, Islamist groups have also discovered the resources dimension of Kashmir in recent years and are accusing India of “water theft” in order to mobilise more support for the Kashmir issue in Pakistan thereby adding a new dimension to the conflict.<sup>42</sup>

## **2.2. India and Bangladesh**

The question of water management of the 54 rivers which flow from India to Bangladesh has been a central issue in the bilateral relations of the two countries. Since 1960 Indian and (East-) Pakistani experts were discussing the issue. In 1962, India started constructing the Farakka barrage which was concluded in 1970. The barrage was meant to regulate the water supplies from Ganges, to prevent the impending siltation of Calcutta harbour. The weir curbs the water amount which flowed to East-Pakistan and caused serious problems for its industry and agriculture.

Since Bangladesh’s independence in 1971, the water question remained an important factor in the bilateral relations with India. In 1972, the Joint Rivers

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39 *An imprint of the contract under Government of India, Ministry of Water Resources, <http://wrmin.nic.in/index3.asp?sslid=443&subsublinkid=287&langid=1> (accessed 18.6.2010).*

40 See Gargi Parsai, *Baglihar Dam, India Claims Moral Victory*, in: *The Hindu*, 13.2.2007; “Minister Says Pakistan Achieved ‘Major Victory’ on Baglihar Dam Issue”, in: *PTV World Television*, 12.2.2007.

41 See Ashok Jaitly, *South Asian Perspectives on Climate Change and Water Policy*, in: David Michel, Amit Pandya (eds.), *Troubled Waters. Climate Change, Hydropolitics, and Transboundary Resources*, Washington 2009, p. 27.

42 See ‘India’s ‘water theft’, in: *The News*, 8. March 2010.

Commission was established. Although the old contracts could be slowly implemented, India's initially good relations to Bangladesh worsened.<sup>43</sup> After the military coup in Bangladesh in 1975, India refused to negotiate about the water distribution and the relations between General Zia-ur-Rahman and the Indian Prime minister Indira Gandhi cooled down. Hence, Bangladesh internationalized its problems with India. In May 1976 Bangladesh brought up the topic at the conference of Islamic Foreign ministers in Istanbul, in August at the Congress of non-aligned states in Colombo and in November 1976 at the general assembly of the United Nations.

The success of negotiations has always been dependent on the personal relationship between the main political decision makers. Three weeks after the Janata government took over power in 1977, which had unexpectedly defeated Indira Gandhi in the elections, India and Bangladesh agreed upon a treaty which was signed in Dhaka in November the same year.<sup>44</sup> However, the problem was not solved with this treaty. Bangladesh demanded the inclusion of Nepal, to raise the water resources for the dry season through levees in India and Nepal. Nepal would have even got its own waterway to the Gulf of Bengal. In 1979, when the Janata-government agreed to this demand, the coalition broke so that the discussions stopped. In 1980, after Indira Gandhi had come back to power she strictly refused to include Nepal into the negotiations with Bangladesh over the water issue.

The dispute with India over the Farakka barrage continued even after the democratization in Bangladesh in 1990/91. Again, an agreement depended mainly on the political constellations on both sides. After the Awami League (AL) took over the government from the Bangladesh Nationalist Party (BNP) in 1996 negotiations with India were intensified. In December 1996, both sides signed a 30 years long treaty which regulated the use of the Ganges water.<sup>45</sup>

### **2.3. India and Nepal**

The rivers which flow through Nepal and empty into the Ganges, contain 46 per cent of the annual water supply. In the dry season it contains as much as 71 per cent.<sup>46</sup> Moreover, there are very close political and social relations between both countries. India has always been very sensitive to political developments

<sup>43</sup> See J. N. Dixit, *Liberation and Beyond. Indo-Bangladesh Relations*, Neu-Delhi 1999, p. 176.

<sup>44</sup> See Ishtiaq Hossain, *Bangladesh-India Relations. Issues and Problems*, in: *Asian Survey*, 21 (November 1981) 11, pp. 1115–1128.

<sup>45</sup> See Prakash Nanda, *Indo-Bangla Treaty Is Fair and Just to Both Parties*, in: *Times of India*, 13.12.1996.

<sup>46</sup> See Dwarika N. Dhungel u.a., *Introduction*, in: Dwarika N. Dhungel, Santa B. Pun (eds.), *The Nepal-India Water Relationship. Challenges*, Dordrecht 2009, p. 1.

in the previous Himalayan kingdom because of its security concerns vis-à-vis China. Hence, India has a long tradition of political intervention that started already in the 1950s.<sup>47</sup>

Natural resources and the problems of water distribution have always played an important role in the bilateral relations. India and Nepal concluded a range of contracts intended to regulate the water distribution. However, their implementation has always been hampered by difficult political relations. Earlier treaties, like the agreements on the Kosi river in 1954 and the Gandak river in 1959 have been depicted by the democratic parties and the Maoists as a sell-out of Nepali interest to India by their monarchy.<sup>48</sup> Because of these historical experiences, the new Nepali democratic constitution of 1991 provided that international treaties have to be ratified by parliament. In February 1996, India and Nepal signed an agreement on the Mahakali River which replaced earlier treaties and the existing regulations about the water distribution between both countries. Because of the unstable domestic constellations in Nepal after the end of civil war and after the elections to the constitutional assembly in 2008, the agreement has not been ratified so far. A joint Indian-Nepali group of experts has been established in order to discuss the interpretation of the contract clauses.<sup>49</sup> The importance of closer cooperation between India and Nepal became obvious in 2008, when a levee of the river Kosi broke down and caused a flooding of the Northern regions of the Indian state of Bihar. The flood caused the death of thousands of people and dispersed more than three million people.

#### **2.4. Water Conflicts and Water Cooperation in South Asia: the Regional Dimension**

Although water is often connected with a high conflict potential, there have been no water wars in South Asia. India used water in the first war with Pakistan in 1948 but this has not happened again under the regime of the Indus Water Treaty of 1960. Water flows and water distribution are a problem in bilateral relations but could be solved by various agreements so far. One of the reasons was India's new South Asia policy following the economic liberalisation after 1991. Since that time India is focussing on strengthening economic relations with its neighbours and the Gujral doctrine has emphasized the principle of non-reciprocity vis-à-vis the smaller countries. This new approach created a

<sup>47</sup> For the historical development of Indo-Nepali relations, see S. D. Muni, *Foreign Policy of Nepal*, Delhi 1973.

<sup>48</sup> See Dwarika N. Dhungel, *Historical Eye View*, in: Dwarika N. Dhungel, Santa B. Pun (eds.), *The Nepal-India Water Relationship*, 2009, pp. 11–68.

<sup>49</sup> See Rakesh Tiwary, *Indo-Nepal Water Resource Negotiation. Deepening Divide over Border Project*, in: *South Asian Journal*, 11 (January–March 2006).

more conducive atmosphere for negotiations with the smaller neighbours that was in contrast to Indira Gandhi's approach to understand South Asia only as part of India's national security.<sup>50</sup> Hence, it became possible to reach water agreements with Bangladesh and Nepal in 1996 even if their implementation has not been very successful.

The increasing water, climate and environmental challenges also furthered the regional cooperation in South Asia. The progress of the South Asian Association for Regional Cooperation (SAARC) which was founded in 1985 was hampered by the Indo-Pakistani conflict for a long time. During the 1990s, economic cooperation was further expanded by the SAARC Free Trade Agreement (SAFTA). In order to cope with the environmental and climate problems common institutions have been established since the mid-1990s, for instance the SAARC Meteorological Research Centre in Dhaka (1995), the SAARC Coastal Zone Management Centre on Maldives (2005) and the SAARC Disaster Management Centre in New Delhi (2006). The institutions should not be overrated because regional cooperation still has only little significance for the respective national foreign policies.

Nevertheless, the implications of climate change do not stop at national boundaries. Moreover, most South Asian countries are confronted with similar challenges with regard to water, agriculture, and severe budgetary constraints. Therefore regional cooperation not only on the state but also on the sub-state level will help to find adequate solutions for the affected communities.

### **3. Governance and Public Goods in South Asia**

The most important repercussions of climate change are linked with migration and urbanisation. Both developments are not new to most South Asian countries. Labour and environmental migration and the constant pressure on the urban centres with an increasing number of people living in slums pose a governance challenge since many decades. In 2001, the Indian census noted that around 50 per cent of urban households did not have tap water on their premises.

Climate change will therefore not necessarily created new governance problems but it will certainly reinforce already existing problems. The consequences of climate change can be regarded as a global public good that will require not only international cooperation and burden sharing but also

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<sup>50</sup> See Christian Wagner, *From Hard Power to Soft Power? Ideas, Interaction, Institutions, and Images in India's South Asia Policy, Heidelberg 2005 (Heidelberg Papers in South Asian and Comparative Politics, Working Paper 26)*.

adequate allocation of resources on the national level.<sup>51</sup> The government capabilities to deal with these problems can be deducted by a comparison with other public goods. So far, all South Asian states have a record of governance which is not very promising with regard to new challenges like climate change (see Table 1).

**Figure 1: Levels of Governance in South Asia**

Governance-Indicator	India	Bangladesh	Sri Lanka	Nepal	Pakistan	Afghanistan
Voice and Accountability	0.41*	-0.31	-0.53	-0.53	-0.83	-1.49
Political Stability	-1.20	-1.50	-0.54	-1.55	-2.70	-2.51
Government Effectiveness	-0.03	-0.85	-0.08	-0.79	-0.82	-1.46
Regulatory Quality	-0.34	-0.81	-0.09	-0.72	-0.61	-1.54
Rule of Law	-0.08	-0.72	-0.07	-0.99	-0.90	-1.94
Control of Corruption	-0.56	-1.00	-0.42	-0.77	-1.00	-1.55

*Evaluation of governance on a scale from -2,5 to + 2,5. \*Higher figures indicate a better level of governance. All figures are for 2011.*

*Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), *The Worldwide Governance Indicators: Methodology and Analytical Issues*, <[http://info.worldbank.org/governance/wgi/mc\\_countries.asp](http://info.worldbank.org/governance/wgi/mc_countries.asp)> (accessed 26.11.2012).*

The reasons for the failure of governance have often been described and analyzed. Many reform commissions and political programs have been established in order to improve the situation with hardly any noticeable outcome. In Pakistan, the National Commission on Government Reforms proposed in 2007 the consolidation of ministries in order to reduce public spending. After the 2008 elections, various new ministries had to be created for the sake of coalition politics thereby increasing the number of ministries rather than decreasing them which led to higher expenses for the budget.<sup>52</sup> In India, different government commissions have made detailed recommendations in order to improve for instance the social situation of Muslims and other

51 See Inge Kaul, Isabelle Grunberg, Marc A. Stern, *Defining Global Public Goods*, in: Inge Kaul, Isabelle Grunberg, Marc A. Stern (eds.), *Global Public Goods. International Cooperation in the 21st Century*, New York, Oxford 1999, pp. 2–19.

52 See Gilles Boquérat, *The Democratic Transition in Pakistan under Stress*, Paris 2009 (Centre Asie IFRI, Januar), p. 13.

marginalised groups which have only been partly implemented. The weakness of the state contrasts the distinct bureaucratic and legalized traditions of most South Asian states. The control of the executive powers is mostly weak and state organs like the police are marked by rampant corruption, wide spread politicisation and low public reputation.<sup>53</sup> The recent corruption scams in India show that corruption seemed to have increased rather than decreased after the liberalisation in 1991. Former Indian Prime Minister Rajiv Gandhi once noted that less than 15 per cent of each rupee spent for development is reaching the marginalized groups.

Another obstacle is the institutional fragmentation because of ambiguity and overlapping of responsibilities – both between the particular ministries and between the federal, country and province level.<sup>54</sup> In addition to that, South Asian governments are not able to provide the necessary financial resources for development by collecting taxes. Just a small share of the population in India and Pakistan is paying direct income tax; the majority of taxation comes from indirect taxes, which put a greater burden on the poor segments of society.<sup>55</sup>

**Table 2: Poverty, Human Development and Corruption in South Asia**

	Population living below...			Literacy rate (2000-2005 > 15 years)	HDI rank (2011)	Corruption Perceptions Index (2012)
	...National poverty line (1990-2004)	1,25 US-\$/ day (2000-2007)	2 US-\$/ day (2000-2007)			
Bangladesh	40.0%	49.6%	81.3%	55.0%	146	144
India	28.6%	41.6%	75.6%	62.8%	134	94
Nepal	30.9%	55.1%	77.6%	57.9%	157	139
Pakistan	32.6%	22.6%	60.3%	53.7%	145	139
Sri Lanka	22.7%	14.0%	39.7%	90.6%	97	79
Afghanistan	n.a.	n.a.	n.a.	n.a.	172	174

*n.a. = not available*

Sources: World Bank, *World Development Report 2010*; UNDP, *Human Development Report 2012*; Transparency International 2012.

53 See Arvind Verma, *The Police in India. Design, Performance, and Adaptability*, in: Devesh Kapur, Pratap Bhanu Mehta (eds.), *Public Institutions in India. Performance and Design*, Oxford, New-Delhi 2005, pp. 194–257.

54 See Jaitly 2009, p. 18.

55 See Huzaima Bukhari, Ikramul Haq, *The ‘Central’ Question. The Distribution of Taxes among the Provinces in Pakistan Is Akin to Denying Them Their Constitutional Rights*, in: *The News on Sunday*, 15.2.2009.

The figures illustrate massive failures in the provision of public goods although areas like health and education are regarded as main pillars of development since decades (see Table 2). Even in periods of high economic growth, for instance in Pakistan in the 1960s or after 2001, there was no noticeable improvement in these areas. India saw a rapid increase of its growth rates after the liberalisation in 1991 but at the same time income inequalities have also increased. The lack of far reaching reforms especially in the rural areas and the insufficient allocation of resources in health and education have contributed to the meagre governance that explain why South Asia has fallen behind the emerging economies in East- and South East Asia. The often mentioned argument that this figures do reflect the lack of political will seems to be misleading because these figures do express a political will that is first, not providing a sufficient resources base by broadening the tax base and second not allocating adequate resources in these sectors.

The figures also indicate that there is hardly a difference in the provision of public goods between democratic states such as India and Sri Lanka and predominantly non-democratic states, such as Bangladesh, Pakistan and Nepal. Cultural factors like religion can also not explain the negative figures. A formal hierarchical caste society like India does not differ much in its low performance compared to supposedly egalitarian Muslim societies like in Pakistan or Bangladesh.

Hence it seems that the notion that the “Indian state itself almost never takes outcomes seriously”<sup>56</sup> can be applied to other South Asian countries as well. The idea of public goods as a precondition for development does not seem to be shared by the ruling and dominant elites. Weiner’s research about the lack of compulsory primary education in India for many decades has shown deep seated prejudices and resentments of elites against marginalised segments of society.<sup>57</sup> New reports about the deficits in primary education showed that despite growing enrolment rates, there still exist serious shortages, such as the high absence of teachers.<sup>58</sup> The main reason therefore seems to be the

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56 See Devesh Kapur, Pratap Bhanu Mehta, *Introduction*, in: Devesh Kapur, Pratap Bhanu Mehta (eds.), *Public Institutions in India. Performance and Design*, Oxford, New-Delhi 2005 p. 13

57 See Myron Weiner, *The Child and the State in India. Child Labor and Education Policy in Comparative Perspective*, Princeton 1991.

58 See V. Jayanth, *The Case of the Missing Teachers*, in: *The Hindu*, 5.4.2006, <http://www.hindu.com/2006/04/05/stories/2006040506971100.htm> (accessed 18.6.2010); A. De, J. Drèze, M. Samson, A.K. Shiva Kumar, *School Education: Struggling to Learn*, in: *The Hindu*, 20.2.2009, <http://www.thehindu.com/2009/02/20/stories/2009022052911000.htm> (accessed 18.6.2010).



reluctance of political decision makers to reform the inadequate institutions and to get rid of political patronage and corruption networks which permeate all states.

#### **4. Prospects: Balancing Growth, Development, and Climate Change**

South Asia will belong to those regions which will be heavily affected by the repercussions of climate change. The consequences will even differ on the national level and some regions may also benefit from climate change compared to others. The repercussions will lead to more migration mainly from the rural to the urban areas. Migration will not only be a development challenge with regard to urban infrastructure but also to conflicts over participation, distribution and identity. At the moment, climate change and water issues have not led to bilateral conflicts but all countries are faced with severe domestic problems which will be aggravated by climate change.

It is a positive development that the discussion about climate change and its implications has caused a range of new political and economic initiatives in South Asia. Today, most countries are focussing on environmental issues and have established new ministerial departments, working/expert groups, task forces or national agendas in order to cope with climate change. It remains to be seen in how far these programs and institutions will suffer a similar fate like other initiatives for public goods in the past. The experiences in the health and education sector do not provide too much enthusiasm that the governments will be capable to address the new environmental challenges. But climate change remains a much more vague threat compared to issues like health and education which are closer to the daily life of the electorate. Under the condition of severe budget constraints the biggest challenge for decision-makers will therefore be to find the right balance between strategies for economic growth, developmental issues and aspects of climate change.

## **Climate Change and South Asia**

Closing Remarks by

**Dr. Rishi Raj Adhikari,**

**Executive Director of the Institute of Foreign Affairs**

Thanks to Hon, Minister for his eloquent speech and for presenting the national policy on climate change and the steps the government is taking to mitigate the adverse effects.

Thanks to Dr. Christian Wagner for presenting a vivid picture of the vagaries of climate changes in South Asia including our own Nepal.

Recently, I came across a British study (DARA group, Guardian September 28, 2012) which has estimated death of 400,000 people a year due to factors related to climate change, which is also costing \$1.2 Billion and 1.6 percent of world GDP annually. Air pollution caused by use of fossil fuels is separately causing death of 4.5 m people. This widely researched study has further estimated 3.2 percent loss to global GDP by 2030 owing to combined effect of climate changes and air pollution. The most affected group will be from poor and least developed countries with 11 percent of their GDP loss annually.

### **South Asian Vulnerability**

- Geography
- High levels of poverty and
- Population density

Climate change is compounding development problems and further strain the resources needed to sustain growth, and development.

Even small climate variations can cause irreversible losses and tip large numbers into destitution in already poor country like Nepal.

*The impacts are felt due to:*

- *Higher temperatures,*
- *More variable precipitation, and*
- *Increased occurrence of extreme weather events*

## **Nepal and Climate Change**

- Nepal represents one of the iconic examples of climate vulnerability with threats posed by the melting glaciers of the Himalayas and impacts that transcend political boundaries.
- Its geographic location in the Himalayan headwaters of many of the region's major river systems provide it with strategic climate change adaptation opportunities, to monitor and regulate river flows.
- Nepal is in the forefronts of acute vulnerability to the impacts of climate change crisis,
- She is one of the least Green House gas emitting countries, thus exerting negligible ecological foot print.
- But, the livelihoods based on local knowledge and traditional wisdom of these people is at risk and the notion of Sustainable Development, human right, equity, peace, justice and poverty eradication become a distant dream for these people.
- Agriculture, being the mainstay of Nepalese economy with two third of the population depending on it, is the hardest hit and depriving majority of their livelihoods thus perpetuating the poverty.
- Nepal finds itself unable to cope with the vagaries of climate changes as it is poor, least developed, landlocked, conflict affected, mountainous with weak human and other resources.

## **Climate Change Impacts**

- Increased frequencies of landslides, floods, droughts, heat stress, glacial lake outburst floods (GLOFs) and other human induced natural calamities are some of the key impacts of climate change phenomena experienced by the Nepalese people so far.
- Internal migration and inter-ethnic competition for these scares resources and livelihoods may surface and damage century old harmonious social fabric, which would be disastrous for the country.
- External migration may also speed up causing loss of human resource required for the country.

## **Climate Diplomacy**

Mr. Madhuraman Acharya in his recent article says,

- Climate negotiations have entered serious level as Doha Climate Conference is around the corner come this November December.

- Nepal, being the Chair of Climate Negotiating Group for LDCs for next two years, needs to do a lot of home work for effective deliberations.
- Our negotiators need to know the politics of these negotiations and also develop expertise and gain knowledge on this important issue. There is need to have institutional memory, continuity of personnel, strong mandating from government, strong sectoral coordination and involvement of stakeholders.

### **Need for Regional Cooperation**

- Many of the most severe impacts of climate change are likely to be regional and will call for coordinated regional responses.
- Regional cooperation can play a key role in adaptation and development in the Himalayan region.
- Coping with these mounting extremes in the river basins of South Asia will require more basin-wide information to predict and warn against calamity.
- The SAARC can play vital role in regional response to the vagaries of climate change.
- South Asia must address climate change risks and pursue development opportunities that promote low-carbon growth.
- With a large proportion of South Asia's population living in poverty, any efforts must be consistent with development objectives to raise living standards and incomes.
- To assist with adaptation to climate change, one needs to target package of interventions aimed at reducing South Asia's exposure to climate risks, promoting integrated management, and building climate-resilient rural economies.
- To leverage limited resources effectively, we must build countries' awareness, ownership, and capacity for addressing climate change issues.

Thanks to Hon. Minister and Dr. Wagner, Dr. Dev Raj Dahal of FES and all other distinguished guests and participants for your active engagements in the talk programme which IFA has given a great importance.

Thank you very much and I declare this programme closed and Invite you all over a high tea.

## **A Summary Report on the Talk Programme *Climate Change as a Security Risk in South Asia***

A talk programme on “Climate Change as a Security Risk in South Asia” organized jointly by the Institute of Foreign Affairs (IFA) and Frederich-Ebert-Stiftung (FES), Nepal was held on the 10<sup>th</sup> of October, 2012 in Kathmandu. Dr. Christian Wagner, Head of Research Division at the German Institute for International and Security Affairs (SWP) was the main speaker and delivered a presentation on Climate Change as a Security Risk in South Asia. Dr. Keshab Man Shakya, Minister for Environment, Science and Technology, was the Chief Guest of the program. Dr. Rishi Raj Adhikari, Executive Director of IFA, acted as the chair and the Deputy Executive Director of IFA, Mr. Khush Narayan Shrestha conducted the programme.

The first speaker of the program was Dr. Dev Raj Dahal, Head of FES-Nepal. He spoke about climatic problems faced by South Asia such as loss of rainforests, melting of glaciers, effects on industrialization etc. Dr. Dahal said that a system sensitive approach needed to be taken and eco-centric choices needed to be made in order to protect nature.

Next, Dr. Keshab Man Shakya, Minister for Environment in his keynote address highlighted the issue of climate change, stating that it was an obvious fact in today’s world. Long term changes to climatic conditions were expected in future which would result in intensified competition over access and control of resources and may trigger violence, among other things. He gave examples of the impacts of climate change such as the change in rainfall patterns resulting in problems in agriculture, melting of glaciers leading to storms and droughts etc.

Dr. Shakya also stated other potential impacts of climate change such as exacerbation of poverty, regional violence and worsening of international relations. Some positive courses of action he mentioned to fight these problems were incorporating climate change to national interests, strengthening of regional cooperation and making the prevention of climate change a common

goal among countries.

Then Dr. Christian Wagner made his presentation which focused on the following key topics: Security Challenges in South Asia, Political Impact of Natural Disasters (short term), Impact of Climate Change (long term), Governance and Climate Change and lastly, he concluded with a brief outlook about the topic. On the issue of security challenges in South Asia, he spoke about conventional interstate security threats such as unsolved territorial disputes between South Asian countries as well as nonconventional intrastate security threats such as problems of governance, underdevelopment, political violence, organized crime and environmental challenges. About the short term political impact of natural disasters, he said that natural disasters did not create new political scenarios but accelerated the existing ones. Some examples he provided were the protests by East Pakistan against West Pakistan due to slow support measures provided by the latter during the 1970 cyclone, the 2004 Tsunami in Sri Lanka in which a dispute over aid had a detrimental effects on the relationship between Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE). He also provided a positive example where rescue assistance accelerated rapprochement between India and Pakistan during the 2005 earthquake in Kashmir.

Long term impacts of climate change, Dr. Wagner mentioned, were melting of glaciers, rising of sea levels and changing precipitation patterns. New challenges would emerge out of these impacts such as glacial lake outbursts, water stress and scarcity and complications in agriculture. Agriculture is the largest sector of employment in most South Asian countries as well as the largest consumer of water. Thus, yields of crops would decrease resulting in food insecurity, inflation and poverty. Climate change would affect the poor segments of the society the most by causing loss of livelihood and lowering investments, innovation and development. Other effects it would have were more inter and intrastate migration, more urbanization and violence.

He said that governance would also face challenges due to climate change. A big political challenge would be to find the balance between short and long term resource allocation. Climate change, he said, was a long term issue requiring long term planning which was traditionally weak in South Asia. It would add new institutional and financial challenges while intensifying the already existing problems of governance. It would require new policies and new investments. He gave examples of how India had handled water issues by signing treaties with Nepal, Pakistan and Bangladesh and efforts made by SAARC to combat any climate change and regional cooperation issues that could arise. These examples showed that the South Asian region had been able

to cooperate on the issue of climate change. In conclusion, he summarized his presentation and said that climate change as a security risk could not be overlooked.

Then floor was open for questions. Mr. Gopal Thapa, former Joint Secretary of MOFA, raised the issue of climate equity and climate justice and asked about the obligations that the developed industrialized countries had concerning climate change since most of it has occurred because of excess carbon emissions from those countries. Mr. Shambhu Rana asked Dr. Wagner's opinion about global leadership and management regarding the issue of climate change. Next, Dr. Mohan Prasad Lohani asked about the relationship between bad governance and formulation of new policies and institutions.

Dr. Wagner replied that the debate between climate equity and justice was a tricky one with no clear conclusion. It was difficult to prove who benefitted or suffered due to the emissions of green house gases. Climate change, he replied, was a very long term process and politicians who were usually only concerned about their own tenure, didn't put much emphasis on it.

Mr. Budhdi Narayan Shrestha, a researcher on the border issues of Nepal suggested Dr. Wagner to add Nepal's name to the list of countries that have border disputes. He said that there were more than 70 spots where there were disputes and encroachments on the Nepal-India border. He also said that there were still some water usage wars between Nepal and India.

Hon. Minister Dr. Keshab Man Shakya answered a few of the questions posed. He said that every country has a national plan and that should be followed. Instead of a single country or a group of countries posing as a leader, it would be better for countries to set examples for others to follow. He said that we could not give excuses of inefficiency, corruption and bad governance for not doing our jobs. We had to improve on a local scale of governance rather than design a new global governance.

Hira Bahadur Thapa, a former Joint Senior Secretary at MoFA asked as to how we could translate potential conflict to meaningful cooperation. He raised the issue of Nepal being surrounded by two emerging economies with nuclear power and some of China's reactors being very close to Sino-Nepal border. Mr. Thapa suggested that nuclear issues be added to the presentation as well.

Professor Dr. Gopal Pokharel, Former Executive Director of IFA asked how the South Asian countries, which were not even able to provide basic necessities like education and security to its citizens, could implement policies on climate change. He suggested that perhaps a country like Germany could mediate

such issues between the developed and developing countries.

Dr. Wagner promised to include Nepal in his presentation regarding border disputes with India. He talked about extra caution that needs to be taken in reference to nuclear issues. Also, he said that Germans may be a good mediator but their overall positions were too divergent. More effort could be put on bilateral cooperation and perhaps we could see India, China and even US come to more binding agreements.

Mr. Binod Bista, former advisor of IFA asked how innovation was negatively impacted by climatic change. Next, Mr. Ram Babu Dhakal, Undersecretary of MOFA, asked how Nepal could reverse the trend of depleting fresh water due to melting of glaciers. Mr. Bibhuti Ranjan Jha, Assistant Professor of KU, commented that industrialization may come with great environmental costs but once people progress, environment could be rebuilt and reclaimed and a lot of climate change issues could be tackled.

Dr. Wagner said that there wasn't much literature available stating how far climate change acted as a disincentive for innovation. It would be easier to look at past patterns rather than predict the future ones.

Mr. Clemens Spiess, who said that he was surprised to know that there already were policy documents of SAARC dating back to the 1980s referring to the issue of climate change. He suggested that South Asia should take more ownership regarding the issue and look for answers to current problems in the way preceding problems were solved. Mr Saroj Dhakal, CFO of Wind Power Nepal, commented that energy aspect relating to climate change such as melting of glaciers, was overlooked in the presentation.

Dr. Wagner talked about the SAARC development fund that was distributing real money to combat environmental issues. He reiterated some points from his presentation such as prediction of an increase in migration and the uncertainty in climate change in that nobody could tell precisely when it would start. He said that climate change remains a big challenge for the government. These were but old challenges which would now have new impacts.

Then Dr. Rishi Raj Adhikari delivered the closing remarks for the program talking about a piece of news from *The Guardian* newspaper that reported that 400,000 people die annually, with the loss of 1.2 billion US dollars and 1.6% of GDP per annum due to climate change.



## **Participants List:**

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- 31 Mr. Tika Bandan  
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- 32 Mr. Niraj Sharma  
The Rising Nepal
- 33 Mr. Pramila Devkota  
Naya Patrika Daily
- 34 Mr. Pragati Shahi  
The Kathmandu Post
- 35 Mr. Chandra Shekhar Adhakari  
The Annarpurna Post
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