

**Report on
Nepal's Foreign Affairs
(2015-2016)**



**Ministry of Foreign Affairs
Government of Nepal**



**REPORT ON
NEPAL'S FOREIGN AFFAIRS
(2015-2016)**

**MINISTRY OF FOREIGN AFFAIRS
GOVERNMENT OF NEPAL
KATHMANDU, NEPAL**

JUNE 2016

Report on Nepal's Foreign Affairs (2015-2016)

Nepal: Facts and figures

Geographical location:

Latitude: 26° 22' North to 30° 27' North

Longitude: 80° 04' East to 88° 12' East

Area: 147,181 sq. km

Border: North—People's Republic of China
East, West and South--India

Capital: Kathmandu

Population: 28037904 (2015 projected)

Country name: Federal Democratic Republic of Nepal

Head of State: Rt. Honourable President

Head of Government: Rt. Honourable Prime Minister

National Day: 3 Ashwin (19 September)

Major language: Nepali (official)

Major religions: Hinduism, Buddhism

Literacy (5 years above): 65.9 % (census, 2011)

Life expectancy at birth: 66.6 years (census, 2011)

GDP per capita: US \$761.59 (2014/15; preliminary after earthquakes 2015)

Monetary unit: 1 Nepalese rupee = 100 paisa

Main exports: Carpets, garments, leather goods, handicrafts, grain

Source: Nepal in Figures, 2015, Central Bureau of Statistics, Thapathali Kathmandu,
Nepal

**Message from the Hon'ble Deputy Prime Minister
and Minister for Foreign Affairs, Mr. Kamal Thapa**



The Ministry of Foreign Affairs is bringing out its annual report containing the activities carried out by the Ministry, its departments and diplomatic missions during the period of 2072 BS (2015-16).

The past one year remained challenging and yet was important in the history of Nepal. It began with a devastating earthquake of 25 April 2015, which left nearly 9,000 people dead and many more injured, and damaged thousands of private houses, public buildings and cultural heritages as well as critical infrastructures. We had to engage in rescue and rehabilitation as well as the preparation of legal and institutional frameworks for the herculean task of reconstruction throughout the year. At the same time, we had to fulfill the responsibility of finalizing the constitution and bringing the peace process that begun in 2006 to a logical conclusion. Immediately after the promulgation of the Constitution of Nepal and the formation of the present Government followed the disruption of supplies at the border points and we became actively engaged in clearing the misunderstanding with our southern neighbour, India. Thus, the year was full of events.

In dealing with all these events, the Ministry played a vital role. Whether it was the garnering of international support in rescue and rehabilitation in the aftermath of the earthquakes, normalizing our relations with India or disseminating information about the democratic values and ideas enshrined in our newly promulgated constitution to the international community, the Ministry's role was proactive and in the forefront. Now, I am happy to note that our relations with India have not only been normalized, but, with the exchange of high level visits and clearance of misunderstanding, have also been further strengthened. Likewise, with the signing of Transit and Transportation Treaty and many other important documents during the visit of the Rt. Hon'ble Prime Minister Mr. K.P. Sharma Oli in March this year, an important dimension has been added to our relations with northern neighbour, China. In the past year, we worked closely with both India and China, and developed the foundations for promoting long-term economic relations based on mutual benefits. Similarly, the Government remained committed to developing and consolidating relations with all other friendly countries around the world, including major powers and development partners.

The Ministry was equally active in the regional and multilateral fronts throughout the year. As the current Chair of SAARC and BIMSTEC, we became engaged in promoting cooperation under the regional initiatives. I recall the successful conclusion of the 37th Meeting of the SAARC Council of Ministers in Pokhara in March this year. We joined Shanghai Cooperation Organisation as dialogue partner and Asia Cooperation Dialogue as member this year, reaffirming our faith in the importance of deeper cooperation under the regional arrangements. Nepal continued to give high importance to the role of the United Nations in the maintenance of international peace and security, including through peacekeeping missions. We continued to maintain unflinching commitment to the principles of human rights and fundamental freedoms.

With the promulgation of the constitution and resolution of political issues, Nepal has entered into a new era, the era of peace, stability and economic development. We have certainly put our feet on the right track. Our days ahead, however, are not easy. Political achievements are yet to be supported by economic prosperity. The objective of socio-economic transformation of the nation and establishment of a just and prosperous society is yet to be achieved. The mega reconstruction initiative has just begun and needs rigorous efforts for its timely completion. Against all these, the role of Foreign Ministry and its officials has become even more crucial and challenging.

In recent years, the nature and orientation of foreign policy and diplomacy has undergone continuous change. The foreign policy matters have now become more complex, dynamic and multidimensional. In this context, the Foreign Ministry has to play more assertive, pragmatic and strategic role in achieving foreign policy objectives. This requires efficient, committed, and professional officials and diplomats. I am sure that our officials and diplomats are ready to face the challenge and are prepared to play such roles.

Finally, I would like to convey my appreciation to the Foreign Secretary and all officials in the Ministry, departments and missions abroad for their hard work in bringing out this annual report. As this report records important works carried out by the Ministry, its departments and diplomatic missions in the past one year, it will be useful to students, scholars, policymakers and general readers who are interested in the foreign affairs of Nepal.



FOREWORD

The year 2072 B.S. was a year of unprecedented hardship on the one hand and resilience and hope on the other hand for Nepal and the Nepalese people. It was a year that will have great resonance and ramification in the annals of Nepal's history. It will be remembered as a year of endurance as well as a milestone in the lane that will be treaded upon by future generations to come.

Certainly, the chronicle of Nepal's major diplomatic activities will be of immense importance for wider readership. In this context, it is satisfying to mark the publication of Annual Report 2072 B.S. (2015-16) which has been prepared incorporating the review of efforts and achievements of Ministry of Foreign Affairs and our missions abroad in the year 2072 B.S.

Albeit the devastating earthquakes took a heavy toll on human lives and resources, the spirit and determination of the Nepali people remained unshaken. Thanks to the tremendous support and solidarity of our neighbours, other friendly countries and people across the world, Nepal was able to stand up amidst the devastation of the earthquakes, determined to 'build back better'. The country is now embarking on a five-year plan of Post-Disaster Recovery Framework with generous support from our development partners.

The promulgation of the Constitution last year concluded the political transition and peace process and marked the historic point of departure for Nepal's socio-economic transformation. The Constitution reaffirmed our collective pursuit to fortify Nepal's position as a responsible democratic nation in the international community. It was a culmination of the genuine aspirations of the sovereign people of Nepal.

The Constitution enshrines the directive principles on international relations as:
“The State shall direct its international relations towards enhancing the dignity of the nation in the world community by maintaining international relations on the basis of sovereign equality, while safeguarding the freedom, sovereignty, territorial integrity and independence and national interest of Nepal.”

The country's diplomatic machinery will remain guided by these directive principles and the foreign policy as outlined in the Constitution.

Nepal continues to place high importance and priority on good neighbourly relations. The State visit of the Rt. Hon'ble Prime Minister to India and Official Visit to People's Republic of China this year played an important role in further strengthening the historically close and cordial relations with the two neighbours. Efforts to bolster our core national interest were successfully pursued during those visits.

Our relations with fellow SAARC member states, development partners, major world powers and other friendly countries as well as our engagements with the United Nations and other international organisations and processes continued to grow in 2015/16. To advance the interests of LDCs, LLDCs and countries with geological sensitivities like Nepal, we were involved in effective deliberations at various international forums. Successful interventions in the evolution of Sustainable Development Goals (SDGs) were made, especially in the issue of sustainable mountain development.

Realising the paramount necessity of collaboration in regional forums to embark upon a path of collective and shared development, we intensified our proactive involvement for greater regional cooperation. We successfully hosted the 37th meeting of SAARC Council of Ministers, started preparatory works to host the next BIMSTEC Summit and joined SCO as a dialogue partner and ACD as a member. Those involvements enhanced our standing in international and regional landscapes.

In this backdrop, this report has been prepared by incorporating important achievements of the Ministry and missions to promote and protect the country's national interests over the year. Our team has put their efforts to make the report comprehensive, informative and representative. Publication of this report is a part of our commitment to honour the people's right to information about what the public institutions are doing. I hope that this report will also serve as a useful reference material about our activities in the year 2072 B.S. on external relations front for scholars, researchers, students, media persons and others. We will publish such annual report on a regular basis every year and will continue to put efforts in improving and enriching its quality and content. I expect valuable feedback and suggestions from readers and professionals in this regard.

Shanker D. Bairagi
Foreign Secretary

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Overview

The year 2072 B.S. (April 2015 to March 2016) remained quite engaging and full of challenges on Nepal's foreign policy front. The year started with the unimaginable devastation caused by the massive earthquake of 25th April and the powerful aftershocks that followed. Over 9,000 lives were lost and over 12,000 people were injured and more than 10 million people, one third of total population, were affected. Earthquakes destroyed homes, schools, health posts and hospitals, government buildings, archaeological and cultural heritages, and basic services infrastructure. Following the earthquakes, Nepal and Nepali people received instant help and support from neighbours, other friendly countries, international organisations and people from around the world. The Ministry and its Missions abroad remained at the forefront to disseminate information about the scale of destruction and immediate priority needs along with the process of channelising humanitarian assistance. Our diplomatic machinery proactively coordinated the mobilisation of international support for immediate search, rescue and relief as well as for long term reconstruction.

In order to generate international cooperation for reconstruction, the International Conference on Nepal's Reconstruction 2015 (ICNR 2015) was successfully held in Kathmandu on 25 June 2015 just two months after the devastation. The theme of the Conference was 'Towards a Resilient Nepal'. Delegations from bilateral and multilateral development partners participated in the Conference pledging support and sharing best practices and experiences on how reconstruction programmes can best be executed. Findings of the Post Disaster Needs Assessment (PDNA) were disseminated in the Conference as reference materials.

This year, the promulgation of the Constitution was historic as it was written for the first time by the elected Constituent Assembly, which was inclusive and broad based. The CA followed a democratic, transparent and participatory process of constitution making. As the historic process was heading towards a final phase, our diplomatic machinery was actively engaged with the international community to make sure that the noble pursuit of Nepali people had international support and solidarity. The Ministry and its Missions abroad continued to keep the international community informed about the challenges and difficulties faced in constitution writing; positive efforts made in order to address and accommodate diverse interests and aspirations of people; and above all the country's unwavering

commitment to be guided by democratic norms and values. When the Constitution was promulgated on 20th September by the Rt. Hon'ble President of Nepal, the international community welcomed this as a historic achievement. Following the promulgation of the Constitution, the Ministry and its Missions were focused on disseminating information about the salient features of the democratic and inclusive Constitution as well as initiatives taken for its implementation.

As an institution entrusted with the responsibility to implement the Government's foreign policy, the Ministry had to shoulder a number of important tasks in 2072 B.S, which it successfully performed with commitment and dedication. The Ministry remained active towards achieving the country's foreign policy goals in line with the new political environment at home as well as rapidly changing international situation. Internal challenges were mostly rooted in the country's long political transition that rendered political leadership heavily occupied with domestic issues. With the promulgation of the Constitution, the longstanding political process has now been settled and hence, it can be expected that foreign policy front will also receive greater attention. External challenges stemmed from the changing global geopolitics, dynamics of globalisation, emerging global issues and changing notion of security. This warranted on our part to frame and implement appropriate strategies to promote and protect our enlightened national interests in a more focused and coherent way.

Engagement with immediate neighbours remained Nepal's top foreign policy priority.

In 2072, Nepal-India relationship witnessed some uneasy situation. Severe disruption of supplies was imposed by the Indian side at Nepal-India border checkpoints following the promulgation of the Constitution in Nepal and citing agitations in Terai-Madhesh. This not only caused difficulties to normal life across the country but also badly affected provisions of basic social services in addition to economic and developmental activities.

The Government of Nepal continuously engaged with the Government of India at various levels and requested to ease the movement of vehicles at the border points. Nepal assured that the vehicles' security will be Nepal's responsibility once they enter into the Nepalese territory. The disruption of supplies by the Indian side continued for five months. Most of the border points became operational on

6th December while the main Raxaul-Birgunj border point came into operation on 6th February.

The Rt. Hon'ble Prime Minister's State Visit to India was the main highlight of Nepal-India relations in 2072 and a major undertaking to bring Nepal-India relations back to normal course. A number of important agreements and understandings in transit, connectivity, energy and infrastructure were concluded during the visit. The Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa undertook an official working visit to India within a week of assuming the office with the primary mission to ease the situation and promote bilateral relations. He visited India again with the same mission in November 2015.

With the People's Republic of China, the year 2015 marked the 60th Anniversary of the establishment of diplomatic relations. Both the countries celebrated this occasion throughout the year by organising a series of commemorative events and programmes as well as exchanging visits at various levels. On 20-27 March 2016, the Rt. Hon'ble Prime Minister Mr. K.P. Sharma Oli paid an official visit to China and visited Beijing, Boao Xi'an and Chengdu cities. During the visit, both sides signed a number of important agreements and understandings related to transit, transport, connectivity, energy and supplies. A comprehensive Joint Statement was issued during the visit. The Hon'ble Deputy Prime Minister and Minister for Foreign Affairs also paid an official visit to China on 23-29 December 2015. China warmly welcomed the promulgation of the Constitution of Nepal recognising it as the historic progress in the political transition of Nepal.

Our bilateral relations with other countries in South Asia continued to remain close and cordial. We worked together to enhance bilateral relations and expand areas of cooperation for mutual benefit. In addition to bilateral mechanisms, we were active in promoting friendship and cooperation through SAARC and other regional mechanisms.

Our relations with United States, Japan, EU member states, Russia and other major powers as well as emerging economies in Asia and beyond in addition to development partners continued to grow. The countries in the Middle East and East Asia remained important to us as major destinations of our labour force and source of remittances. We continuously worked together with the developing world, including fellow member states in LDCs and LLDCs Groups, to advance our

common interests in regional and international forums in the spirit of friendship and solidarity.

Our engagement with the United Nations and other multilateral institutions and processes remained inspired by the firm belief that challenges of global scale could only be addressed through greater and more effective multilateral partnership. Strong faith in multilateralism with United Nations as the pivot of global affairs guided our vision and activities in multilateral diplomacy. Nepal contributed to the best of its ability to make the world safer, more peaceful and prosperous. Our robust contribution to the UN Peacekeeping continued. Nepal actively participated in the United Nations Climate Change Conference held in Paris in November/December 2015. Nepal signed the Paris Agreement and expressed a strong commitment to implement the deal. We actively participated in the negotiations of the Sustainable Development Goals 2030 endorsed by UN Summit in 2015 and we have already started integrating them in our national policies, plans and programmes.

Regional diplomacy formed an important part of Nepal's foreign policy priority in 2072. Nepal became 34th member of the Asian Cooperation Dialogue (ACD) and a dialogue partner of the Shanghai Cooperation Organisation (SCO). Nepal's entry into these mechanisms has enlarged the scope of its regional diplomacy.

As the current Chair of SAARC, Nepal actively promoted the agenda of deeper regional cooperation for peace and prosperity in line with the mandate of the 18th SAARC Summit held in Kathmandu in November 2014. Nepal convened the 37th Session of the Council of Ministers and its preceding Meetings (52nd Session of Programming Committee and 42nd Session of Standing Committee) in Pokhara on 14-17 March 2016. The meetings reviewed the status of progress in the implementation of decisions taken at the 18th SAARC Summit and the 36th Session of the Council of Ministers and made important decisions towards more effective and result oriented regional process.

As the current Chair of BIMSTEC, we started necessary preparations for hosting the next Summit in Nepal. We participated in the regular activities of BIMSTEC.

The Ministry continued to prioritise and improve service delivery by departments and missions under it. Departments of Passports and Consular Services provided services with efficiency and dedication and drive for reform and higher standard

for service delivery. Measures were taken to make passport services prompt and efficient. Five years after the introduction of Machine Readable Passports, issuance of MRPs crossed the 4-million mark this year. Almost 1 million MRPs were issued in 2072 alone. Initial ground works were undertaken to introduce e-passport in the next phase.

The Department of Consular Services observed an increasing trend of applications for consular services of various kinds for Nepali migrant workers overseas.

Attestation of official documents remained another significant function -- more than seven hundred documents were attested on average. The Department placed an emphasis on e-governance for effective service delivery. Ground works have been undertaken to introduce online system of receiving applications from victims' families for consular services such as search and rescue, repatriation of dead body, and insurance/compensation of workers.

The Ministry continuously pursued internal reform agenda with a view to strengthen the Ministry and the diplomatic machinery as a whole to make it more effective in today's changing circumstances. Important reform measures were introduced in the overall management, general administration, human resource development and financial administration.

Neighbouring Countries and South Asia

Like in other parts of the world, neighbourhood diplomacy receives topmost priority in our foreign policy. Our relations with neighbours are extensive, deep and multifaceted encompassing a broad spectrum of political, economic, social and cultural spheres.

India

Nepal-India relations witnessed both high and low points in the year 2072 B. S.

The high optimism and enthusiasm created after the historic visit of the Prime Minister of India to Nepal in August 2014 continued to mark Nepal-India relations during the early months of 2015. There was general expectation that neighbourhood first policy of the new Government in India would result in positive developments to bolster the age-old bilateral ties that would lead to a broader and deeper partnership for development as well as prosperity.

During the difficult time of the massive earthquake of 25th April followed by powerful 12th May aftershock, Nepal received generous help from the Government and people of India with extraordinary promptness reflecting the spirit of true friendship and fraternity. Within hours, the first Indian Air Force aircraft landed in Kathmandu with rescue team and relief materials. India sent several other aircrafts carrying relief goods, medical supplies and mobile hospital. Relief goods were also dispatched by road transport. Rescue teams and medical teams came to help save lives of people in dire needs. Generous support was also received from State Governments of India.

Various organisations and individuals from India immensely contributed to rescue, relief, and rehabilitation efforts of the Government of Nepal. Substantial contributions were received in Prime Minister's Disaster Relief Fund from private/public organisations and individuals in India.

Offer of help from the Government of India in reconstruction phase was prompt and promising as well. Mr. P. K. Mishra, Additional Principal Secretary at the Prime Minister's Office in India, visited Nepal on 18-20 May 2015 to discuss the modalities of Indian assistance in post-quake rehabilitation and reconstruction. Mr. Mishra was the Chief Executive Officer of the Reconstruction Authority of Gujarat after 2001 earthquake and had firsthand experience of a successful reconstruction drive.

The Government of India made a generous and substantial pledge during the International Conference on Nepal's Reconstruction organised in Kathmandu on 25 June 2015 in order to generate financial support to meet the massive requirement for the post-earthquake reconstruction. The External Affairs Minister, H.E. Smt. Sushma Swaraj, who led the Indian delegation to the Conference, announced Government of India's support of USD 1 billion (one fourth of which would be grant and the rest concessional loan). She also announced that the support would be over and above the existing development cooperation provided by the Government of India to Nepal.

Against this buoyant backdrop, Nepal-India relations suddenly witnessed an uneasy situation following the promulgation of the new Constitution by Nepal's Constituent Assembly on 20th September.

In the aftermath of the unimaginable scale of devastation caused by the earthquakes and the pressing need for focusing on reconstruction drive, the political leadership felt the urgency of concluding the longstanding constitution making process without delay. Accordingly, the process was intensified from early June 2015. Support and solidarity received from the people and Government of India was important in Nepal's peace process. Promulgation of the Constitution would logically conclude this historic process started in 2006.

On 25th August, the Rt. Hon'ble Prime Minister had telephone conversation with the Prime Minister of India and discussed about the progress in Nepal's peace process and constitution making. On 14th September, India's Minister for External Affairs issued a statement welcoming and commending the progress achieved by the Constituent Assembly in the constitution drafting process. However, when the Constitution was promulgated on 20th September, the response from India, as a close friendly neighbor and a consistent supporter in our peace process, did not match our expectation.

Nepal-India border points witnessed severe disruption of supplies by the Indian side resulting in the obstructions of supplies from 23rd September. This not only obstructed normal life across the country but also badly affected provisions of basic social services as well as economic and development activities. During this difficult situation, our diplomatic efforts were concentrated on removing obstruction at the border points. We engaged with India at various levels. On 11th October, Hon'ble Mr. KP Oli, Prime Minister elect, received a telephone call

from the Prime Minister of India, H. E. Mr. Narendra Modi. The Prime Minister of India congratulated Mr. Oli on his election. During the phone conversation, Mr. Oli requested the Indian Prime Minister for his cooperation in removing the obstructions of supplies at Nepal-India border points.

The Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa had an official working visit to India on 17-19 October 2015. Bilateral talks with the External Affairs Minister, H.E. Smt. Sushma Swaraj were focused on easing the supply situation and restoring normalcy in bilateral relations. The Hon'ble DPM also met other political leaders including H.E. Prime Minister Mr. Narendra Modi during the visit.



Hon'ble Deputy Prime Minister and Minister for Foreign Affairs visited India again on 30 November-3 December 2015.

From 6th December, vehicular movement was eased at Rupedia-Nepalgunj, Sunaul-Bhairahawa and Jogbani-Biratnagar border points. Birgunj-Raxaul border point reopened and became operational on 5th February after five months of obstruction signaling a step towards normalisation of Nepal-India relations. The Hon'ble Minister for Finance, Mr. Bishnu Prasad Paudel, visited India on 7-9 February 2016 to discuss and finalise the agendas of economic cooperation to be taken up during the visit of the Prime Minister. During the visit, Minister Paudel

had meetings with External Affairs Minister, Finance Minister, Home Minister and other officials of the Government of India.

At the invitation of the Prime Minister of India, His Excellency Mr. Narendra Modi, Rt. Hon'ble Prime Minister, Mr. K P Sharma Oli paid a State Visit to India on 19-24 February 2016.



The Rt. Hon'ble Prime Minister was accompanied by the Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa, the Hon'ble Finance Minister, Mr. Bishnu Paudel, the Hon'ble Home Minister, Mr. Shakti Bahadur Basnet, Members of Parliament, senior officials of the Government, media persons and business delegation during the visit. While in New Delhi, the Rt. Hon'ble Prime Minister stayed in Rashtrapati Bhawan as the State Guest of the President of India.

During the visit, the Prime Minister had bilateral official level talks with the Prime Minister of India preceded by one-to-one talk between the two Prime Ministers. Broad spectrum of Nepal-India relations was reviewed during the talks. The Rt. Hon'ble Prime Minister clearly stated that the main purpose of his visit was to clear the misunderstanding between the two countries following the promulgation of Constitution in Nepal. He explained that Nepal's Constitution was inclusive by all

standards which incorporated all the established norms and values of democracy. Both Prime Ministers reviewed the progress made in the ongoing Nepal-India cooperation projects and emphasised the need to expedite their implementation.



The two Prime Ministers jointly inaugurated Dhalkebar-Muzaffarpur cross border transmission line by pressing remote button.



Following the bilateral talks, the two Prime Ministers jointly briefed the media. Prime Minister Oli stated that sovereign equality and mutual respect of each other's interests and concerns had been the bedrock of Nepal-India relation. This has been further strengthened by the solid foundation of geography, culture and

civilisation as well as deep sense of friendship and fraternity among the people of the two countries. He emphasised the need to clear any misunderstanding and bring the bilateral relations back on track for mutual benefit of the both countries and their people. During the Press Meeting, Prime Minister Modi stated that the Constitution making was an important achievement of all Nepalese and assured of India's continued support for Nepal's development and prosperity.

Seven different agreements were concluded between the two countries during the visit:



1. Memorandum of Understanding on the utilisation of grant component of India's post-earthquake reconstruction programme – a framework agreement that specifies sectors and modality of the utilisation of the fund. Out of the USD 250 million, USD 100 million will be used for housing grants to individual households and of the remaining USD 150 million, USD 50 million each will be used in Health, Education and Cultural Heritage sectors.
2. Memorandum of Understanding on Strengthening Road Infrastructure in Terai Area (Hulaki Roads) – India will provide financial support up to INR 5 billion

for the construction of 17 Terai road projects. This fresh MoU envisages a new modality of implementation – GoI will appoint consultant and GoN will appoint contractors. The MoU also envisages completing the identified roads in 3 years.

3. Memorandum of Understanding between Academy of Music and Drama of Nepal and Sangeet Natak Academy of India – this MoU seeks to forge cooperative relations between the two Academies including exchange of artists and joint cultural programmes.

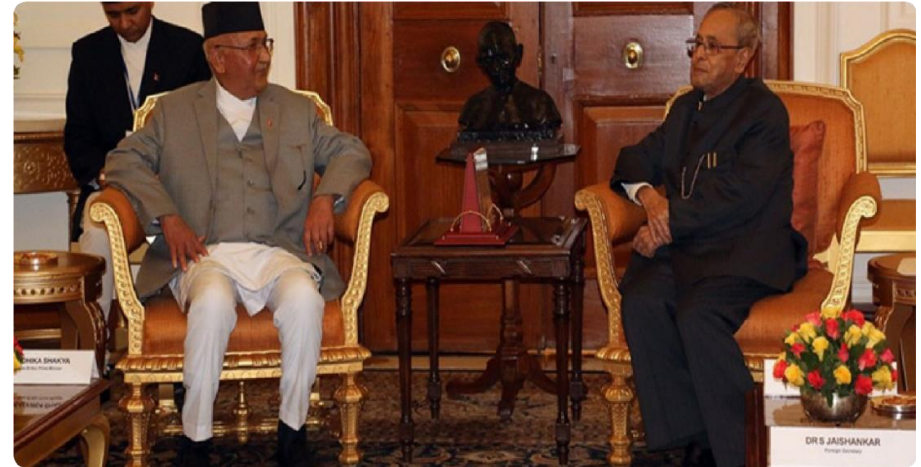
4. Letter of Exchange on road transit to/from Visakhapatnam – this makes an amendment to the existing Treaty of Transit stipulating that road transit to/ from Vishakhapatnam from/to Nepal (Biratnagar, Birgunj, Bhairahawa, Nepalgunj) is added in the list of agreed routes.

5. Letter of Exchange on rail transit to/from Vishakhapatnam – this makes an amendment to the existing Rail Service Agreement allowing rail transit to/ from Vishakhapatnam port to /from Birgunj ICD.

6. Letter of Exchange on Singhabad Rail transit to/from Bangladesh – Nepal can now use Singhabad-Rohanpur rail route for trade with/through Bangladesh.

7. Letter of Exchange on simplifying Fulbari-Banglabandh transit – the requirement of convoy and escorts for trucks transiting to/from Bangladesh through Indian Territory will now be removed.

The Rt. Hon'ble Prime Minister called on the President of India, H.E. Mr. Pranab Mukherjee and Vice President of India, H. E. Mr. Hamid Ansari on 20th February .



External Affairs Minister, Home Minister, Finance Minister, State Minister (Independent Charge) for Power and State Minister (Independent) for Ayush as well as National Security Advisor also called on the Rt. Hon'ble Prime Minister during the visit.

On 21st February, the Rt. Hon'ble Prime Minister visited Tehri dam, a high altitude structure which has been termed as a success story of development through proper utilisation of water resources for hydroelectricity, irrigation and flood control.

The Rt. Hon'ble Prime Minister delivered a lecture on 22nd February in the Indian Council of World Affairs in New Delhi. Addressing the community of intellectuals and diplomatic corps in New Delhi, the Prime Minister highlighted the desire of Nepali people to have friendly relations with India based on mutual respect and sovereign equality. He stated that Nepal wants to forge a constructive partnership for development with both of its neighbours and pointed out that the use of 'China card' was just a rumour created by people who were against good neighbourly relations between Nepal and India.



On 23rd February, the Rt. Hon'ble Prime Minister visited Bhuj, a small town in Gujarat which was near the epicentre of 2001 devastating earthquake. Now, fifteen years after complete devastation, the place is a well-planned modern town and a great success story of 'building back better' – offering good lesson for post-earthquake reconstruction in Nepal.

On 23rd February, the Prime Minister also visited Mumbai, the financial capital of India, where he interacted with the business community as well as artists of Mumbai film industry. The Prime Minister's message to business communities both in New Delhi and Mumbai was the same – Nepal had settled its political course through new constitution. This had provided foundation for policy stability and good governance in addition to the political consensus on the primacy of economic agenda in the country. He invited the business people to come to Nepal as it offers a 'greenfield' for investment.

An all-party delegation led by the External Affairs Minister of India, H.E. Smt. Sushma Swaraj visited Nepal on 10 February 2016 to pay tribute to the Former Prime Minister and President of Nepali Congress late Sushil Koirala. During the visit, Smt. Swaraj paid a courtesy call on the Rt. Hon'ble President, Ms. Bidya Devi Bhandari and the Rt. Hon'ble Prime Minister, Mr. K P Sharma Oli. The External Affairs Minister of India also visited Nepal on 16-17 March 2016 to participate in the 37th meeting of the SAARC Council of Ministers.

Nepal and India signed a Memorandum of Understanding for the Construction of Petroleum Products Pipeline between Raxaul, India and Amlekhgunj, Nepal on 24 August 2015. The project includes construction of the 41 km pipeline (2 km in India and 39 km in Nepal) and re-engineering of Amlekhgunj depot and allied facilities. The MoU was signed by the Hon'ble Minister for Commerce and Supplies of Nepal, Mr. Sunil Bahadur Thapa and Hon'ble Minister of State (Independent Charge) for Petroleum and Natural Gas, Mr. Dharmendra Pradhan.

Cooperation in water resources is a key dimension of Nepal-India relations and there have been some important developments in 2015/16. The first double circuit 400 kv Dhalkebar-Muzaffarpur cross border transmission line was completed in February 2016 and has now been operationalised to import power from India. The 2nd meeting of the Joint Steering Committee led by Energy secretaries of the two countries was held in Kathmandu on 29 January 2016. The meeting discussed various aspects of the implementation of Nepal-India Power Trade Agreement including long-term Integrated Transmission Plan, Policy and Regulatory Framework to facilitate power transfer through cross border corridors. This meeting of Energy Secretaries was preceded by the meeting of Joint Working Group led by Joint Secretaries (Energy) of the two countries. Governing Body of the Pancheshwar Development Authority met on 17 March 2016 during which draft DPR of the Project was presented by WAPCOS, Indian company tasked to prepare a joint DPR. The DPR will be finalised after necessary study by both Governments.

Maintaining a well-defined, clearly demarcated and precisely understood international boundary alignment is a critical component of smooth and cordial bilateral relations. Nepal-India joint boundary field works continued smoothly this year making good progress. These works involved construction, restoration and repair of new, mislocated and damaged boundary pillars based on the agreed Strip Maps. Works started on mapping and preparing record of encroachment on No Man's Land and Cross Border Occupation as well as preparing GPS reference of boundary pillars. The 2nd meeting of the Nepal-India Boundary Working Group, led by Director General of Survey Department of Nepal and the Surveyor General of India, was held in Dehradun, India, on August 24-26 2015. This was followed by the 3rd meeting of the India-Nepal Survey Officials Committee (SOC) also held in Dehradun, India on 6 – 8 October 2015.



The 10th meeting of Nepal-India Joint Committee on Inundation and Flood Management (JCIFM) led by Director General of the Department of Water Induced Disaster Prevention of Nepal and Member (Co-ordination), Ganga Flood Control Commission (GFCC) of India, was held in Kathmandu on December 6-10, 2015. The meeting reviewed the progress made in the ongoing river training works at Bagmati, Kamala and Lalbekayarivers undertaken with Government of India's assistance in Nepal and discussed about undertaking similar works in West Rapti and other rivers.

The 31st Meeting of the Board of Directors of B. P. Koirala India- Nepal Foundation (BPKF), co-chaired by Ambassador of Nepal in India and Ambassador of India in Nepal, was held in Nagarkot on 4-5 January 2016. The meeting reviewed the activities undertaken over the year under the Foundation in order to promote educational, cultural, scientific and technical cooperation between the two countries. It also approved new proposals of activities for the years to come.

The long-standing tradition of conferring honorary General to the Chiefs of each other's Army saw its continuity this year reflecting close traditional ties between the two armies. Chief of Army Staff, Gen.RajendraChhetri was conferred the honorary rank of General of the by President of India, H. E. Pranab Mukherjee at a special ceremony held in New Delhi on 3 February 2016.



The Indian Army Chief General Dalbir Singh had been conferred the title of Honorary Rank of General of Nepal Army in November 2014.

The decision of the 3rd Nepal-India Joint Commission meeting in 2014 to constitute Eminent Persons' Group came in full shape in March 2016. This Group was formed for the purpose of studying overall state of Nepal-India relations, and it would suggest measures to further expand, consolidate the close as well as multifaceted relations between the two countries. Both Governments nominated the respective members in the Group. The Group is likely to start its work soon.

The 4th Bilateral Review Meeting on Lines of Credit extended by India to Nepal was held on 1 April 2016 in New Delhi. The meeting reviewed the progress made in the projects under the LoC I (USD 100 million) and LoC II (USD 250 million). On LoC III, the Nepalese side stated that the DPRs of all identified projects (8 road packages, Mahakali Bridge, Project for Rehabilitation of Koshi Pump Canal and Mahakali III Irrigation Project) would be finalised and communicated soon. The 3rd LoC Review Meeting was held on 3 August 2015.

Nepal and India remained committed to upgrade and expand infrastructure for better, smoother and smarter cross border connectivity. The 4th meeting of the Project Steering Committee for the Development of Cross Border Infrastructure at Five Border Points on the Nepal-India Border was held in Kathmandu on 4-5 April 2016. The meeting reviewed the progress made on development of cross border railway infrastructure at Jayanagar-Janakpur-Bardibas (68 km) and JogbaniBiratnagar (17 km) and agreed to take necessary steps to expedite the works. The meeting also discussed about starting works at three other agreed cross border points.

People's Republic of China

The year 2015 marked the 60th Anniversary of the establishment of diplomatic relations (1955-2015) between Nepal and China. Both the countries celebrated this occasion throughout the year by organising a series of commemorative events and programmes as well as exchanging visits at various levels. Nepal continued to support 'One China' policy.

China welcomed the promulgation of the Constitution of Nepal in September 2015 considering it as the historic progress in the political transition of Nepal.

Nepal received substantial and prompt support from the Government and people of China following the massive earthquakes of April 2015. China sent several aircraft carrying relief materials, medical supplies and rescue equipment. Nepal also received generous support from various Provinces, Autonomous and Special Administrative Regions of China. China pledged 3 billion RMB grant for the postearthquake reconstruction programmes.

Nepal China relations received further boost during the official visit of the Rt. Hon'ble Prime Minister of Nepal, Mr. K. P. Sharma Oli to China on 20-27 March 2016 at the invitation of the Premier of the State Council of the People's Republic of China, H.E. Li Keqiang.

The Rt. Hon'ble Prime Minister had delegation level talks with H. E. the President of China, Mr. Xi Jinping and with his Chinese counterpart Premier Li Keqiang at the Great Hall of the People on 21 March 2016. During the talks, all aspects of the bilateral relations were reviewed and views were exchanged to further enhance bilateral relations and cooperation. A number of instruments of were signed and a

comprehensive Joint Statement was issued during the visit The Rt. Hon'ble Prime Minister appreciated the leadership role played by China to revitalise ancient silk route and establish Asian Infrastructure Investment Bank to provide funds for infrastructure development. The Rt. Hon'ble Prime Minister also held meetings with other central and provincial leaders of China during the visit.



The visit remained successful in drawing a long term blueprint of economic cooperation and comprehensive partnership between Nepal and China focusing on infrastructure development and connectivity.



The conclusion of Transit Transport Agreement guaranteeing Nepal's unfettered access to and from the sea by using Chinese territory was one of the most

important outcomes of the visit. Following is the list of Agreements/MoUs signed during the visit:

1- Agreement on Xiarwa Boundary River Bridge to construct and maintain the boundary bridge between Nepal and China over the Karnali River at Hilsa, Humla under the Chinese grant assistance.

2- Agreements related to the construction of Pokhara Regional International Airport through Chinese technical support and financial assistance: A. Framework Agreement on the provision of Mixed Loan, B. Agreement on Economic and Technical Cooperation, and C. Concessional Loan Agreement on Pokhara Regional International Airport.

3- MoU concerning the provision of goods for addressing climate change for regulating the delivery and installation over 32,000 solar sets to be provided by the Government of China to the Government of Nepal.

4- Exchange of Letters on Project Initiation for the Feasibility Study on Chinese Assistance to Nepal for Exploration of Oil and Gas Resources which aims to carry out feasibility study on survey project of Nepal oil and gas resources under the Chinese grant assistance of RMB 470,000.

5- MoU to strengthen intellectual property system through bilateral cooperation in IP system by establishing mechanism for regular exchange of information and best practice and by jointly undertaking trainings and other activities. 6- MoU on Launching the Joint Feasibility Study of China-Nepal Free Trade Agreement for studying sectors of common interests and provide ground work for starting FTA negotiations.

7- MoU between China Banking Regulatory Commission and Nepal Rastra Bank which aims to enhance cooperation between the banking regulatory agencies of two countries through exchange of banking supervisory information.

The Rt. Hon'ble Vice President, Mr. Parmananda Jha visited Lhasa, the Tibet Autonomous Region of China from 21-26 September 2015 as the Guest of Honour in the First Tibet International Expo. The Vice President addressed the expo where he highlighted the historic and cultural ties between Nepal and Tibet Autonomous Region of China.

The Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa visited China on 24-29 December 2015. He paid courtesy call on the Vice President of China, Mr. Li Yuanchao and held talks with the Chinese

Foreign Minister. It helped to further expand Nepal-China relations by seizing the opportunities available in both countries in the changed context.



The Hon'ble Deputy Prime Minister and Minister for Home Affairs, Mr. Bamdev Gautam visited China on 15-21 October 2015 and met with his Chinese counterpart State Counsellor, H. E. Guo Shengkun. The Hon'ble Minister for Commerce and Supplies, Mr. Sunil Bahadur Thapa visited Yunnan and Sichuan Provinces of China from 11-17 June 2015 to participate in the 3rd China-South Asia Exposition.

The Chinese Foreign Minister, H.E. Mr. Wang Yi visited Nepal to attend the International Conference on Nepal's Reconstruction on 25 June 2015. Assistant Minister of Foreign Affairs, H. E. Liu Jianchao visited Nepal on 21-22 May 2015, to express the sympathies and condolences of the Government and Peoples of China to Nepal on the destruction and losses caused by April 2015 Earthquakes.

Nepal Oil Corporation Ltd. and China United Oil Corporation Ltd. signed a MoU on supply of Petroleum Product to Nepal from China on 28 October 2015.

A meeting on Bilateral Law Enforcement Cooperation was held in Nepal on 15-17 August 2015. The 6th Meeting of Nepal–China Tibet Trade Facilitation Committee was held in Nepal from 21–22 August 2015. During the meeting, both sides exchanged views on further expanding trade and improving the trade imbalances by utilising available opportunities and simplifying trade procedures.

China pledged NRs 326 Million as grant and loan assistance to Nepal for fiscal year 2015/16. The Chinese Government announced a grant assistance of 900 million Yuan for upgrading Arniko Highway and the construction of other infrastructure projects in 2015 for which a MoU on the utilisation of this amount was signed by the Finance Secretary and his Chinese counterpart during the official visit of the Deputy Prime Minister and Minister for Foreign Affairs to China in December 2015.

The Government of China extended fuel and other emergency materials support to Nepal in the aftermath of the disruption of essential supplies at the Southern border checkpoints of Nepal. China also announced to provide fuel support to the Northern bordering districts of Nepal in coming days.

China is the second largest trading partner of Nepal. China continued to provide duty free quota free market access to products from Nepal as a least developed country. China agreed to give serious consideration to the list of products with high export potential to China during the visit of the Rt. Hon'ble Prime Minister.

China is also the 2nd largest source of tourists to Nepal. The Government of Nepal announced the free visa scheme to the Chinese visitors effective from 1 January 2016 in order to attract more tourists from China.

Bangladesh

Nepal-Bangladesh relations saw some important developments in 2015/16.

The Government and people of Bangladesh extended overwhelming support and sympathy to Nepali people during the disastrous earthquake. Bangladesh Government provided 10,000 MT of rice as urgent humanitarian assistance to earthquake victims and dispatched urgent rescue and medical teams with substantial amount of relief materials within 24 hours of the disaster. Bangladesh has offered additional 10,000 MT of rice for victims of earthquakes. Through the Embassy of Nepal in Dhaka, the people of Bangladesh contributed an amount of

USD 600,000 to the Prime Minister's Disaster Relief Fund for relief and rehabilitation of earthquake victims as well as reconstruction of damaged structures. Bangladesh welcomed the promulgation of the Constitution of Nepal in September 2015 as a momentous step towards democratisation. President Md. Abdul Hamid and Prime Minister Sheikh Hasina sent separate congratulatory messages to their Nepalese counterparts, and hoped that the constitution would usher in an era of economic transformation.

The Rt. Hon'ble Prime Minister of Nepal had a meeting with the Prime Minister of Bangladesh, H.E. Sheikh Hasina on 22 April 2015 in Jakarta on the sidelines of the commemorative conference of the 60th anniversary of the Asia Africa Conference. Both leaders exchanged views on widening and deepening bilateral cooperation in various fields including energy, connectivity and trade.

H.E. Mr. Abul Maal A. Muhith, Finance Minister of Bangladesh, visited Nepal on June 25, 2015 to participate in the International Conference on Nepal's Reconstruction. Likewise, H.E. Mr. Abul Hassan Mahmood Ali, Foreign Minister of Bangladesh, visited Nepal on 10 February 2016 to pay his last respects to former Prime Minister Sushil Koirala. He visited again on March 17 to participate in the 37th Session of the SAARC Council of Ministers.

Apart from excellent political and diplomatic relations, the two countries enjoy extensive people-to-people relations between them which saw further consolidation during 2015/16. Bangladesh-Nepal Friendship Society was launched in Dhaka on 14 January 2016 amidst a cultural function at the National Shilpakala Academy. The objective of the new organisation is to promote people-to-people relations between Nepal and Bangladesh, particularly in the fields of cultural exchanges. Likewise, Nepal Study Centre was founded in Dhaka in November 2015.

US-Bangla Airlines, a leading private sector airline of Bangladesh, started DhakaKathmandu flights from May 2016.

Bhutan

Bhutan extended support in the aftermath of the devastating earthquakes. In expression of high level solidarity, the Prime Minister of Bhutan, H.E.

TsheringTobgay, arrived in Kathmandu on the third day of earthquakes on 27 April with relief materials to extend sympathies and support to the Government and

people of Nepal. He personally handed over a cheque of USD 1 million to the Rt. Hon'ble Prime Minister.



Bhutan also dispatched relief and medical teams in the aftermath of the earthquake.

Minister for Home and Cultural Affairs of Bhutan, H.E. Mr. Lyonpo Dawa Gyeltshen visited Nepal on 10 February 2016 to pay the tribute to the Former Prime Minister and President of Nepali Congress Sushil Koirala. During the visit, Minister Gyeltshen had a meeting with Home Minister, Mr. Shakti Bahadur Basnet and discussed about various matters of bilateral interest.

H.E. Mr. Lyonpo Damcho Dorji, Minister of Foreign Affairs of Bhutan, visited Nepal to participate in the 37th Session of the SAARC Council of Ministers. He had a meeting with the Deputy Prime Minister and Minister for Foreign Affairs on bilateral matters. Likewise, H.E. Lyonpo Namgay Dorji, Finance Minister of Bhutan, visited Nepal to participate in the International Conference on Nepal's Reconstruction held on 25 June 2015.

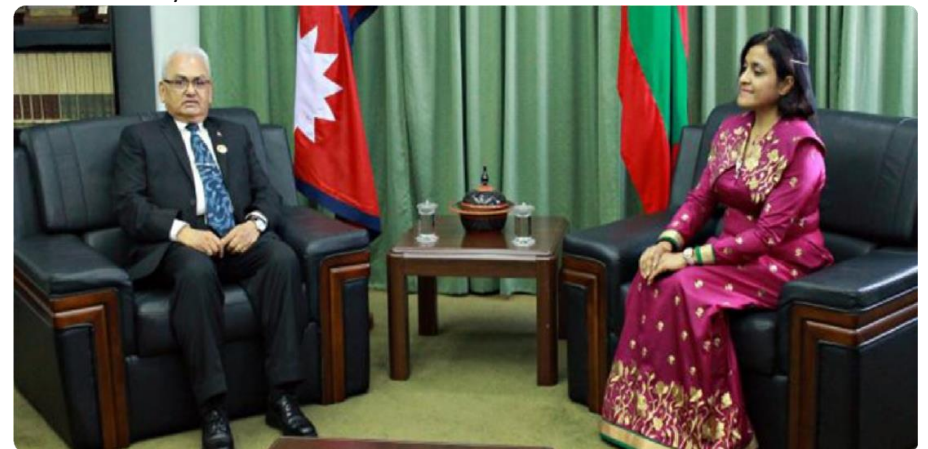
The leader of Nepalese delegation to the 70th session of the UNGA, the Deputy Prime Minister and Minister for Local Development, Mr. Prakash Man Singh had a bilateral meeting with the Bhutanese Prime Minister in New York on the sidelines of the UNGA. Views were exchanged on resolving the longstanding problem of Bhutanese refugees and also promoting bilateral cooperation in various fields.

A bilateral meeting between Nepal and Bhutan was held in Kathmandu on 8th January to discuss matters related to expanding air connectivity. The meeting decided, among others, to sign the Air Service Agreement initiated in 2004 and discussed on simplifying immigration procedures. Secretary, Ministry of Culture, Tourism and Civil aviation from Nepal side and Secretary, Ministry of Information and Communication from Bhutan side led their respective delegations.

The issue of Bhutanese refugees has remained a key issue in Nepal-Bhutan bilateral relations. Since the early 1990s, about 118,000 Bhutanese refugees entered Nepal and they have been provided shelter on humanitarian grounds. Nepal agreed to facilitate the third country resettlement of Bhutanese refugees as temporary measure. This year, the number of resettlement crossed 100,000 mark. Nepal continues to hold its position that the refugees who remain after resettlement must be repatriated to Bhutan with dignity and honour.

Maldives

The Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey visited the Republic of the Maldives on 26-27 July 2015. The Minister was invited to the Maldives by Foreign Minister, H.E. Ms. Donya Maumoon, to attend the functions organised to celebrate the Golden Jubilee of the Maldives' independence. During their meeting on 27th July the two Foreign Ministers shared views on political developments in their respective countries and on further expanding bilateral cooperation in several sectors including tourism development, human mobility and air connectivity.



The Foreign Minister of the Maldives, H. E. Dunya Maumoon, visited Nepal to participate in the 37th SAARC Council of Ministers meeting.

Around 3,000 Nepalese nationals are employed in the Maldives and serve as an important aspect of people to people contact between the two countries. They are absorbed in house-hold, fishery, hotels, resorts and general construction jobs. There are some Nepalese medical officers and consultant doctors serving in health institutions of the Maldives. A number of Maldivian nationals are studying medicine in Nepal.

The Maldives provided USD50 thousand as relief assistance for the earthquake victims in Nepal.

Pakistan

Nepal-Pakistan relations continued to remain cordial and friendly during the year. Pakistan was one of the first countries to dispatch relief materials and rescue team after the devastating earthquake of 25 April 2015. The Government of Pakistan extended support of the most needed relief materials like tents, tarpaulin sheets, rice, and medical supplies for the people affected by the earthquakes. Pakistani field hospital rendered commendable service to the victims and injured patients. The Prime Minister of Pakistan, H.E. Mr. Nawaz Sharif telephoned the Rt. Hon'ble Prime Minister, Mr. Sushil Koirala to condole on the devastation of earthquake and offered every possible rescue and relief assistance on behalf of the Pakistani people and Government.

Pakistan, under Pakistan Technical Assistance Program (PTAP), provides annual slots of scholarships to Nepalese students to pursue undergraduate studies in the field of medical, dental, engineering and pharmaceutical sciences. Selection and nomination of students for all PTAP scholarship slots is done on merit basis by the Ministry of Education, Government of Nepal. In addition, several dozens of Nepalese students are doing their post-graduate studies in medical science in different universities and colleges of Pakistan.

During the year 2015/16, a number of Nepalese nationals in Pakistani jail were released and repatriated back to Nepal, including Mr. Min Bahadur Sartunge Magar, a fishing labourer from Gulmi district, who was apprehended by Pakistani coast guards together with his Indian fellow fishermen. Three Nepalese victims of

human trafficking who managed to escape from traffickers in Afghanistan and entered into Pakistan on their way back to Nepal were also safely repatriated after negotiation with Pakistani authorities about their peculiar humanitarian situation forcing them to enter into Pakistani territory to escape from the traffickers.

Advisor to the Prime Minister on Foreign Affairs, H.E. Mr. Sartaj Aziz and Foreign Secretary of Pakistan, H.E. Mr. Izaz Ahmad Chaudhry visited Nepal in March 2016 for the 37th SAARC Council of Ministers and SAARC Standing Committee meetings held in Pokhara. Officiating Chief Election Commissioner, Hon'ble Ayodhee Prasad Yadav paid an observation visit to Pakistan in December 2015. Former Prime Ministers, Hon'ble Madhav Kumar Nepal and Hon'ble Jhala Nath Khanal visited Pakistan in April 2016 in connection to an international conference organised by the International Conference of Asian Political Parties (ICAPP). Chief Information Commissioner, Hon'ble Krishna Hari Baskota visited Pakistan in April 2016 to participate in an international conference on right to information.

Sri Lanka

Nepal-Sri Lanka relations continued to expand in several areas in 2015/16.

After a gap of three decades, the prospect of direct air link between Kathmandu and Colombo came closer this year, thanks to the newly launched Himalayan Airlines. The Airlines operated a charter flight from Kathmandu to Colombo on 12th April and is in the process of seeking permission to operate direct commercial flight between the two capitals. Once operationalised, this will not only promote tourism between Nepal and Sri Lanka but also enhance greater people-to-people linkages. Tourism, especially pilgrimage tourism, is one of the highly prospective fields for joint cooperation between the two countries. Lumbini, the birthplace of Lord Buddha, is a holy place for Sri Lankan Buddhists. As in the past, a significant number of Sri Lankan pilgrims visited Lumbini this year.

Following the massive 2015 earthquakes in Nepal, Sri Lanka sent its rescue team and relief materials with promptness. The Minister for Disaster Management of Sri Lanka, H.E. Abdul Hameed Mohamed Fowzie visited Nepal on 24-25 June 2015 to participate in the International Conference on Nepal's Reconstruction. The Government of Sri Lanka made a pledge of USD 2.5 million for Nepal's reconstruction.

Education has been an important area of Nepal-Sri Lanka relations. Many Sri Lankan students have been studying medicine in various medical colleges of Nepal. Currently about two hundred Nepalese Buddhist students are studying Buddhism and related subjects in Sri Lanka. Offer of higher military trainings to Nepalese officers in Sri Lanka continued this year, especially in the field of aviation aeronautical engineering. Training courses were also offered by Nepal Army to Sri Lankan Army on a regular basis.

Exchanges of high level visits continued. The Hon'ble Minister for Youth and Sports, Mr. Satya Narayan Mandal visited Sri Lanka to participate in Scout Jamboree held in Jaffna on 20-26 February 2016. The Hon'ble Minister for Information and Communication, Mr. Minendra Rijal visited Sri Lanka from 31 March to 2 April 2015 to take part in a programme "Promoting Regional Cooperation in South Asia: A Dialogue with Senior Policy Advisors". Mr. Mangala Samaraweera, Foreign Minister of Sri Lanka, visited Nepal on 17 March 2016 to participate in the 37th session of SAARC Council of Ministers.

The Deputy Prime Minister and Minister for Local Development and the leader of the Nepalese delegation to the UNGA, Mr. Prakash Man Singh called on the President of Sri Lanka, H. E. Maithripala Sirisena on 30th September in New York on the sidelines of the 70th session of the UNGA. Matters related to mutual interests and bilateral cooperation were discussed during the meeting. The President of Sri Lanka congratulated Nepal and Nepali people for the promulgation of the Constitution through the Constituent Assembly.

Afghanistan

The year 2015/16 witnessed a number of exchanges and interactions between Nepal and Afghanistan. Leaders of the two countries met on the sidelines of different multilateral and regional forums. Afghanistan's Deputy Foreign Minister, Mr. Hikmah Khalid Karzai visited Nepal to attend the Standing Committee and SAARC Council of Ministers meetings held in Pokhara in March 2016.

A number of Nepalese nationals are working for the United Nations and different diplomatic missions in Afghanistan. Incidences of human traffickers duping Nepalese nationals to take them to Afghanistan in the pretext of providing high earning jobs have resulted into difficult process of rescue and repatriation of those victims. On several occasions, Government of Nepal sought waiver of penalties for such victims and continued to receive cooperation from the

Government of Afghanistan for their repatriation to Nepal. Government of Nepal continued to reach out to Nepalese nationals working in Afghanistan with a view to provide them consular assistance in cases of emergency.

Rest of Asia and the Pacific region North East Asia

Nepal's relations with countries in the North East Asia remained cordial during the year 2072 BS. Important high level visits were exchanged and wide range of interactions was held with these countries at various levels to further expand and strengthen bilateral relations. Countries in the region are important partners for Nepal's development and other spheres of cooperation.

Japan

Nepal-Japan relations entered a new epoch in the year 2072. The atmospheric for further consolidating bilateral relations were rightly prepared on the eve of the start of the year through two major visits from Nepal. In the first week of March 2015, Foreign Secretary Shanker Das Bairagi visited Japan to lead the Nepalese delegation to the first meeting of Bilateral Consultative Mechanism for Political Dialogue. The meeting gave an opportunity to both sides to discuss all aspects of bilateral relations and matters of mutual interest. It also brought the two countries further close on account of proximity of views on the modality of developing bilateral ties on a future perspective.

The Foreign Secretary had cordial discussions with senior officials and Chairman and members of Japan-Nepal Parliamentary Friendship League on ways and means of further promoting bilateral relations. Mr. Bairagi addressed the Hiroshima University on the prevailing political situation and exchanged ideas on bilateral relations with both Japanese officials and representatives of private sector. He also visited Fukuoka. The Foreign Secretary met representatives of the Non-Resident Nepalese Association, Japan Chapter with a view to seek their support to Nepal in our overall development efforts.

The second major visit just before the onset of 2072 but had important implications, for both bilateral relations and multilateral matters like climate change and disaster reduction, was the visit paid by the Hon'ble Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey, to Japan in the second week of March 2015. During the visit, the Minister led the Nepalese delegation to the Third

United Nations Conference on World Disaster Risk Reduction held in Sendai, capital city of Miyagi prefecture of Japan from 14-18 March 2015 and addressed the Conference. The Conference adopted Post-2015 Framework for Disaster Risk Reduction.

During the visit, Minister Pandey had detailed bilateral consultations with his counterpart, Foreign Minister, Mr. Fumio Kishida and called on Prime Minister, Mr. Shinzo Abe who assured the Minister of the priority given by the Japanese government in further promoting bilateral ties of friendship and cooperation with Nepal. During his stay in Sendai, Minister Pandey held extensive discussions with one of the most powerful politicians of Japan, Mr. Toshihiro Nikai who currently heads Japan-Nepal Parliamentary Friendship League. Mr. Nikai assured his full support for Nepal in her pursuit for democratisation and rapid social and transformation. Mr. Nikai was also supposed to lead a team of more than one hundred parliamentarians and friends including well-wishers of Nepal together with travel and tour industry executives to Nepal in the beginning of 2012 but had to be deferred due to devastating earthquake that struck Nepal soon.

The significance of the Third World Conference on Disaster Risk Reduction hosted by Sendai city of Miyagi prefecture is also relevant in the context of bilateral relations. Following massive earthquake that hit Nepal within the next five weeks, Japan pledged to help Nepal in a substantive way under the concept of "Build Back Better" that was adopted during the world conference. Miyagi along with Fukushima and Iwate prefectures constituting the Tohoku region suffered the worst during the Great East Japan Earthquake of 11 March 2011.

The devastating earthquake that rocked Nepal on 25 April 2015 was a very tragic moment for Nepal. Japan was spontaneous in supporting us in terms of relief and rescue operations dispatching teams associated with special disaster relief, Japan Self-Defence Force and two special medical corps involving over three hundred highly trained personnel, representatives of Red Cross and other philanthropic organisations within less than twenty four hours of the occurrence of the disaster. The Prime Minister of Japan made a special provision for emergency supply of essential materials and medicines along with special emergency disaster support fund. This was in addition to Japan's support to international agencies working for Nepal's relief and rescue operations.

Japan was represented in the International Conference on Nepal's Reconstruction by a high-level delegation led by Minister of State for Foreign Affairs, Mr. Minoru Kiuchi. The delegation comprised of senior officials of the ministries of foreign affairs, finance and land, infrastructure, transport and tourism as well as the President of the Japan International Cooperation Agency (JICA). Japan pledged substantive assistance worth JPY 32 billion for reconstruction efforts in Nepal. Minister Kiuchi in his speech made a special mention of the record collections of private funds by the Embassy of Nepal in the aftermath of the disaster. The Embassy of Nepal collected more than JPY 626 million for the Prime Minister's Disaster Relief Fund. The collections were made from various sectors that included all members of the two houses of the National Diet of Japan, almost all major political parties, municipalities, cities and prefectures, business houses, universities and schools, temples, monasteries and shrines. Regular participation by Embassy family in friendly sports activities netted good amount of money as donations. Individual donors ranging from a four-year old child to 103-year old lady made substantial contributions. The Embassy also got in touch with the top selling textile unit of the country to donate clothes for 100 thousand people in Nepal.

Apart from these contributions that were directly deposited in the Relief Fund, a joint briefing by our Ambassador in Tokyo and Junko Tabei, the first lady to climb Mount Everest, to the press alone helped collect JPY 4 billion for the reconstruction of buildings of schools and colleges that would be spent through the UNICEF. Likewise, another encounter with press along with Sagarmatha hero Yuichiro Miura, World Food Programme (WFP) Goodwill Ambassador for Nepal, fetched 7 billion Yen that would be used by the WFP to help the severely affected people by the earthquake in Nepal. It is estimated that at least JPY 25 billion worth of private funds were received in Nepal from Japan alone through NGOs and private channels.

The Embassy hosted a number of economic diplomacy programmes during the period that included special birthday parties for both Junko Tabei and Yuichiro Miura that focused on our mountain tourism and other tourism products. One special programme was held to familiarise Japanese friends on Nepal's cultural heritage and the need for international assistance in restoring and conserving our priceless treasures. Seminars and workshops were also organised to seek and encourage private sector investments in Nepal.

An eloquent indication of excellent ties of friendship and mature understanding built between the two countries was Japan's highly supportive statement in favour of Nepal's successful exercise on constitution making. In a statement issued in the name of Foreign Minister, Mr. Fumio Kishida on 18 September 2015, Japan expressed its most committed support to Nepal in its task of democratisation and hailed the new constitution that was to be promulgated two days later. It also reiterated its full support to Nepal in post-earthquake reconstruction and social and economic transformation of the country. Japan has been consistent in supporting our peace process including logistic support for conduction of two elections for the Constituent Assembly.

In terms of flow of grant, loan and technical assistance and extension of scholarships and fellowships from Japan, the year 2072 was very important since the Government of Japan accepted our request to invite greater number of government officials for further training and higher education in Japan. Problems relating to Tanahun Hydro-electric Project were successfully resolved and Japan has shown its willingness to fund the first tunnel road project at Nagdhunga which is expected to greatly ease the situation of virtually permanent traffic snarl at this section of the vital road connecting Kathmandu Valley with the rest of the country. The Government of Japan formally handed over the BP Highway (Banepa-SindhuliBardibas road) to the Government of Nepal on 3rdJuly. Japanese Ambassador to

Nepal, H.E. Mr. Masashi Ogawa handed over the highway to the Rt. Hon'ble Prime Minister, Mr. Sushil Koirala at a function organised in Dhulikhel. This has now been a major highway connecting the capital city of Kathmandu with the Hilly and Terai districts in the south-east that serves as a lifeline of economic activities and public services.

Our Embassy in Tokyo entered into serious talks with the Government of Japan and other stakeholders for preparing a comprehensive programme for celebrating the 60th Anniversary of the establishment of formal diplomatic relations this year. While the two sides agreed on exchange of high-level visits during the year, a series of various activities were also approved. This included the premier show of a beautiful film, Everest – Summit of Gods, that was shown to the public on 12 March 2016. The show was made in Tokyo in the gracious presence of Japanese Crown Prince Naruhito, Crown Princess Masako Owada and Princess Aiko. The movie has helped to familiarise Nepal in Japan and promote Nepal's tourism.

The Ambassador signed a sisterly collaboration agreement between Lumbini and Koyasan on 20 September 2015. The agreement was negotiated for more than a year to coincide with the special programme of the Koyasan town, the headquarters of the Shingon (esoteric) Buddhism propounded by Kobo Daishi (Kukai), to mark the 1,200th anniversary of the founding of the pilgrim city that attracts a large number of tourists. Mr. Toshihiro Nikai, Chairman of the General Council of the ruling Liberal Democratic Party and Chairman of Japan-Nepal Parliamentary Friendship League, was present during the signing ceremony. The agreement is expected to promote Lumbini in Japan and for foreign tourists visiting Koyasan. The Ambassador also took part in the planting ceremony of Rhododendron plant, incidentally also a designated flower of the city. We have agreed to hold a second signing ceremony in Kathmandu or Lumbini for drawing attention on the most important aspects of sisterly agreement between two UNESCO Heritage Sites. The new agreement brings the number of Nepalese entities to four that have signed sisterly agreements with Japan and the first between two UNESCO Heritage Sites. Three other places that have signed agreements with Japanese, cities are Kathmandu, Pokhara and a village Tukuche.

Another powerful strand of Nepal-Japan relations is the presence of vocal and active Nepalese diaspora. The number of Nepalese in Japan has witnessed impressive growth if the trends in the past few years are taken into consideration. The number has jumped more than three-fold within the last four years. Japan is believed to have more than sixty thousand Nepalese now as the official statistics as of 31 December 2015 show that the number was 54,775. This makes the Nepalese diaspora sixth largest in numbers after China, Korea, the Philippines, Brazil and Vietnam.

Republic of Korea

Nepal and the Republic of Korea (RoK) share close and friendly relations characterised by deep mutual trust and understanding. The momentum of bilateral ties was further gained in the year 2072 through mutual exchanges of visits and interactions at various levels.

The Hon'ble Minister for Irrigation, Mr. Narayan Prasad Saud, the Hon'ble Minister for Education, Ms. Chitrlekha Yadav and the Hon'ble State Minister for Labour, Mr. Tek Bahadur Gurung visited Korea in the year 2072 to participate in various programmes and had bilateral talks with the officials of the Government of the

Republic of Korea. The Hon'ble Minister for Peace and Reconstruction to Korea visited Korea in February 2016 leading a delegation of Parliamentarians. The delegation held meetings with various Korean authorities to discuss on bilateral matters. The Hon'ble State Minister for Finance, Mr. Damodar Bhandari along with the Governor of Nepal Rastra Bank, Dr. Chiranjibi Nepal visited Incheon Korea in March 2016 to participate in the First High Level Follow-up Dialogue on Financing for Development in the Asia and the Pacific. Similarly a delegation led by the Hon'ble Justice, Mr. Gopal Parajuli visited Korean Supreme Court in November 2015 and Chief Information Commissioner, Hon'ble Mr. Krishna Hari Baskota visited Korea in December 2015.

In the year 2072, there was an enhanced level of cooperation between Nepal and the Republic of Korea in various areas. Especially, Korea was one of the countries to extend humanitarian rescue and relief supports immediately after the devastating earthquakes of 25 April and 12 May 2015 in Nepal. The Government of Korea provided USD 1 million emergency humanitarian assistance. Korean Disaster Relief Team (KDRT) landed Kathmandu airport as early as on 27 April 2015. Korea sent medical teams, rescue personnel and dogs as well as rescue and relief materials. Director General in the International Assistance Bureau of the Foreign Ministry of the Republic of Korea, Mr. Oh Young Ju visited Nepal to attend the International Conference on Nepal's Reconstruction held in Kathmandu in June 2015. The RoK pledged to provide USD 10 million for reconstruction programmes. The RoK helped in establishing the healthcare system and building capacity in affected regions as well as strengthening the Nepalese government's ability to respond to earthquakes. The RoK also extended assistance to Nepal's recovery and reconstruction through international aid organisations such as UNDP, UNICEF, WFP and WHO. Korea has continuously kept Nepal in its list of one of the most important ODA recipient countries since 2010.

The Government of Korea welcomed the historic promulgation of the new constitution of Nepal on 20 September 2015 and expressed hope for Nepal to move forward towards economic prosperity and national development with new constitution.

Efforts were made also to further enhance the economic relations between Nepal and the Republic of Korea. Our Embassy in Seoul actively participated the 13th Tour Expo held in Daegu in April and 30th Korea World Travel Fair organised in Seoul in June 2015 together with 18th Busan International Travel Fair held in September last

year in order to promote Nepal's tourism which was affected by the disaster. The Embassy issued 7,007 visas in the year 2072.

The Embassy organised workshop on Employment Permit System (EPS) issues in July 2015, Photo Exhibition on Nepal in November 2015 and Ambassador Friendly Running Cup Football Competition in October 2015. The Embassy in support of local sponsors organised Symposium on "Post Disaster Investment in the sector of Water Resources Management in Nepal" on 2 March 2016. On 6th March this year, a one day seminar on Remittance and Secured Investment was also organised in Suwon, Korea.

Nepal and the Republic of Korea renewed the MoU on the Sending and Receiving of Workers under the EPS on 5 October 2015 for the next two years. Over 5,000 Nepalese workers arrived in Korea in the year 2072 under the EPS system keeping the total number upto now as 37,333.

In November 2015, the Embassy also participated in the 8th Council Meeting and 4th General Assembly Meeting of Global Green Growth Institute (GGGI) headquartered in Seoul. Nepal is an observer member to the organisation and GGGI has commenced its operation in Nepal from January 2016. The Embassy held a meeting with Green Climate Fund (GCF) in January 2016 to discuss on possibilities of GCF assistance to Nepal.

Nepal has maintained its longstanding position to see peace, unity and stability in the Korean Peninsula and continued to express its hope for the peaceful reunification of two Koreas. Nepal deplored the conduct of hydrogen bomb test as announced by the Democratic People's Republic of Korea in early January 2016 and has reiterated its views that such an act would be detrimental to the international nuclear non-proliferation efforts as well as for the peace and stability in the Korean Peninsula.

South East Asia and Pacific Region

Bilateral relations between Nepal and countries of South East Asia and the Pacific remained cordial and friendly during the 2072 B.S. Relations with these countries are growing with engagements both at government level and people-to-people contacts.

Malaysia

An important aspect of Nepal-Malaysia relations is growing number of migrant workers from Nepal.

Malaysia has recognised Nepal as a source country for foreign workers since the beginning of 2001. This decision on the part of the Malaysian Government has become a major factor for the consolidation and diversification of bilateral relationships in the recent years.

Ensuring safety, security and welfare of Nepalese migrant workers remained a principal responsibility of Ministry and the Embassy in Kuala Lumpur. The Government of Nepal adopted Free Visa Free Ticket policy with a view to make foreign employment less burdensome for the workers. The Embassy of Nepal in Kuala Lumpur started a 24 hour emergency hotline from January 2016 to serve the interest of the Nepalese workers. Discussions took place between the two sides to conclude a bilateral labour agreement.

The Government and people of Malaysia made contribution to the Prime Minister's Disaster Relief Fund.

The Sunway University situated in Selangor Malaysia provided scholarships to students in different faculties. Likewise, Megatech International College situated in Selangor Malaysia has selected Nepalese students for various Diploma Programmes. Both scholarships were awarded to the students from earthquake affected areas.

The Embassy of Nepal in Kuala Lumpur started a Nepali language Radio programme every Sunday 8 to 9 pm on state owned Radio Bernama of Malaysia from the first week of Baishakh 2073. The agreement to this effect was signed on 11 April 2016.

The Minister of State for Labour and Employment, Hon'ble Mr. Tek Bahadur Gurung visited Malaysia from 23-29 August 2015 and had courtesy meeting with the Deputy Prime Minister of Malaysia, Dato Seri Dr. Ahmad Zahid Hamidi and Minister of Human Resources of Malaysia, Dato Seri Richard Riot on 24 August 2015. During the meeting, matters relating to safety, security and welfare of workers were discussed.

The Embassy of Nepal in Kuala Lumpur had organised a Tourism Promotion Programme on 17 June 2015 entitled 'Revitalising Tourism Industry of Nepal' in the aftermath of the earthquakes. The Embassy also played active role on Kuala Lumpur International Craft Festival 2015 held on 10-13 September and MATTA Fair 2015. The Embassy also participated in a talk programme on bravery of Gurkha soldiers in 2nd world war at Institute of Malaysian and International Studies, University Kebangsaan Malaysia on 10 October 2015.

Australia

Nepal and Australia enjoy excellent bilateral relations.

A high level delegation led by the Rt. Hon'ble Mr. Kalyan Shrestha, Chief Justice of Nepal, paid an official visit to Australia from 6 to 11 November 2015 and had a meeting with the Chief Justice of the High Court of Australia, H.E. Mr. Robert French and discussed about the Australian court system.

Australia remained a major destination for Nepalese students for pursuing higher studies this year. The Government of Australia offered various training fellowships to Nepal this year. The growing size of Nepalese community in Australia serves as an important dimension of people-to-people relations between the two countries. The Australian Government announced to provide a total of AUD 20 million dollars as earthquake relief and long-term recovery assistance package for Nepal. Following the earthquakes, the Australian medical teams arrived in Nepal to provide services to the victims of the devastating earthquakes. Total AUD 27 million aid amount and relief materials were sent to Nepal through different Australian aid agencies. Australian Government, Nepalese community members, Australian citizens, local and international NGOs extended their generous support in the process of relief and rescue operations and rebuilding tasks in the aftermath of last year's earthquakes. In addition, Embassy of Nepal in Canberra collected AUD 2.38 million and transferred to Prime Minister's Disaster Relief Fund. Other community and social organisations including NRNA also sent significant amount of donation collected through different means.

The Australian legislative assembly, on 12 May 2015, in presence of the Nepali Ambassador to Australia and other members of Nepali community, passed a Motion of Condolence expressing solidarity and support for Nepal during the time of huge loss and national tragedy caused by devastating earthquakes in Nepal.

Tourism promotion activities were organised in Sydney, Melbourne and Brisbane by Tourism Board of Nepal, Nepalese Consulates and NRN Australia this year. Nepal Festival was organised by the Embassy in coordination with Nepalese Consulates and NRNA in Adelaide and Perth. Nepalese cultural night and sports competition were held in Brisbane.

Thailand

Thailand is a close friend of Nepal. The two countries have been bound by similarity of culture and shared values as well as goodwill and understanding. Buddhism has been a shared cultural attribute of both countries.

Following the devastating earthquake that struck Nepal last year, Thailand's search and rescue as well as medical team promptly arrived in Nepal for rescue operation. Great help and support (financial, material and moral) was received from Their Majesties the King and Queen, Royal Thai Government, different Governmental and Non-governmental organisations, business houses and individuals from Thailand. A huge quantity of relief materials were sent by the Embassy and Royal Thai Government. Besides, Princess Bajra Kitiyabha (daughter of Thai Crown Prince) visited Bodhgaya and Rajgir to pray for the earthquake victims of Nepal.

The Government of Thailand contributed USD 1 million each to Government of Nepal, UNICEF, WHO and UN Humanitarian Affairs to support the victims of earthquakes in Nepal.

Thailand has been providing a number of short-term and long-term scholarships for Nepalese students in medicine, engineering, economics, communication, agriculture and other areas under the Technical Cooperation scheme among Developing Countries through Thailand International Cooperation Agency (TICA) and other schemes.

The process of concluding an MoU on Cultural Cooperation was initiated this year. This year our Embassy in Bangkok organised Tourism Promotional Programmes in Bangkok (twice), Phuket, Pattaya, Chiang Mai, Vientiane (Laos), Singapore and Cambodia. The Baishakh Day Celebration was also organised in Lumbini Park in Bangkok in June 2015. Two groups of Thai journalists were sent to Nepal on Familiarisation Trips.

The Embassy maintained good contacts and rapport with institutions and organisations in Thailand including: Asian Institute of Technology (AIT sent a technical team after earthquake), Thai Chamber of Commerce and Federation of Thai Industries, Thai Journalists' Association and universities in Bangkok.

The Embassy continued to provide help and support Nepalese nationals facing problems: rescue from difficult situation, help stranded persons, including those stranded in Bangkok after the problem of Turkish aircraft in Kathmandu, regularly meeting Nepalese nationals in Thai jails, and provided meals during festivals.

The Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa visited Thailand in March 2016 to attend ACD Ministerial Meeting. He had a meeting with the Thai Foreign Minister and leaders of delegations from Pakistan and Bahrain. Hon'ble Vice Chairman of the National Planning Commission, Mr. Yubaraj Khatiwada visited Bangkok in December 2015 to attend ESCAP meeting. A delegation from National Women Commission also visited Thailand in July 2015.

Myanmar

Nepal and Myanmar enjoy excellent bilateral relations. The presence of people of Nepalese origin has served as important links between the two countries.

Nepal welcomed the political change in Myanmar following the general elections. The Rt. Hon'ble Prime Minister, Mr. Sushil Koirala had a meeting with the President of Myanmar, H.E. U Thein Sein on the sidelines of the Asian-African Summit held in Jakarta, Indonesia on April 2015 and exchanged views on matters of mutual interest.

Former Prime Minister, Hon'ble Mr. Jhala NathKhanal visited Myanmar on 22-26 January 2016 to participate in the Buddhist Conference organised by Buddhist Peace Academy. He was a key note speaker on Buddhist philosophy in the Conference.

Indonesia

The Rt. Hon'ble Prime Minister Mr. Sushil Koirala visited Indonesia to participate in the commemoration of the 60th Anniversary of the Asian- African Summit- 2015 held from 19-24 April 2015. The Rt. Hon'ble Prime Minister had bilateral meeting

with the President of Indonesia, H. E. Mr. Joko Widodo on the sidelines of the Summit and exchanged views in the areas of mutual interest. The Foreign Minister Mr. Mahendra Bahadur Pandey held meeting with H.E. Retno Marsudi on 19th April on the sidelines of the Summit. Discussions between them covered the establishment of bilateral consultation mechanism, visa exemption for diplomatic and official passports, tourism and economic cooperation, air connectivity, and cooperation at the UN and other international forums.

A draft proposal to establish bilateral consultation mechanism between the two foreign ministries is in progress. The mechanism is intended to hold consultations between the two countries with a view to promote mutual cooperation in trade, tourism, culture and education as well as cooperation at regional and international levels.

The Government of Indonesia's Executing Agency for Rehabilitation and Reconstruction (EARR) of Aceh-Nias, and the Chair of the OECD Development Assistance Committee (DAC) offered their support to facilitate Nepal's reconstruction efforts.

A Concept Note on Provision of Technical Assistance to the Government of Nepal through South-South Cooperation is in process of being finalised.

Singapore, New Zealand, Vietnam and Laos

Singapore dispatched search, rescue and medical teams as well as essential medical supplies and relief materials for the victims of the devastating earthquake in Nepal. The Government of Singapore provided an assistance of SGD 150 thousand to earthquake victims in Nepal. On 27 March 2015 the Hon'ble Deputy Prime Minister and Minister for Local Development, Mr. Prakash Man Singh visited Singapore for paying tribute to late PM, Lee Kuan Yew.

The Government of New Zealand also dispatched a team of technical experts and engineers to assist in training local engineers in demolition and reconstruction in the aftermath of the devastating earthquakes in Nepal. The Government of New Zealand provided an assistance of NZD1 million through various organisations.

Nepal proposed to Vietnam a draft Agreement on Exemption of Visa Requirements for Diplomatic and Official Passport holders in order to facilitate official travel between the two countries.

A draft MOU on bilateral consultation mechanism between the Ministry of Foreign Affairs of Nepal and the Ministry of Foreign Affairs of the Lao People's Democratic Republic is in progress

Middle East and Africa Region

Nepal enjoys friendly and cordial relations with countries of Central Asia, West Asia and Africa region. The bilateral relations with these countries further strengthened during the year 2072 B.S. About 1.5 million Nepalese migrant workers are currently working in this region. The Gulf countries such as Saudi Arabia, Qatar, United Arab Emirates (UAE), Kuwait, Oman and Bahrain continued to be the major employment destinations for Nepalese migrant workers. Due to their dedication to work, loyalty, sincerity, honesty and law-abiding characters, Nepalese workers have been able to earn trust and goodwill from the employers, the governments and the peoples in the destination countries.

Kingdom of Saudi Arabia

Nepal and the Kingdom of Saudi Arabia enjoy cordial and friendly relations.

After the devastating earthquake that struck Nepal on 25 April 2015, the Government of Saudi Arabia provided 190 tons of material assistance. Prince Al Waleed Bin Talal Bin Abdulaziz Al Saud contributed humanitarian assistance worth of USD 10 million through International Red Cross and HRH Prince Talal bin Abdul Aziz provided USD 130 thousand for the earthquake victims.

The Embassy of Nepal, Riyadh collected and transferred a total of NRS 9.81 million to the Prime Minister's Disaster Relief Fund.

During the reporting period, drafts agreements on General Workers for the corporate sector and Domestic Service Workers have been proposed by Saudi Arabia side. Discussions on both drafts were held during the meeting of Technical Committee in Riyadh on 11-12 January 2016. The Nepalese delegation led by Mr. Ram Kumar Acharya, Secretary at the Ministry of Labor and Employment proposed on fixing minimum salary, food allowance and life insurance in case of the demise

of domestic service workers during contract period. The Government of Saudi Arabia has invited Nepalese side to sign the both Agreements for General Labour and Domestic Service Workers.

People to people relations have been growing steadily ever since the Nepalese labour force started working in the Kingdom of Saudi Arabia nearly two decades ago. It is estimated that over half a million Nepalese are currently working in Saudi Arabia.

Ensuring the safety, security and welfare of Nepali migrant workers is the main area of work for the Embassy and the Consulate General of Nepal in Saudi Arabia. During the period of review 521 Nepalese (421 male and 100 female) were rescued. The Embassy of Nepal in Riyadh rescued 18 workers from Yemen in March-April 2015 during the conflict. Two hundred thirty-four (234) Nepalese workers died in Saudi Arabia in the review period and 210 families received Saudi Riyal compensation.

The Government of Nepal provided assistance to the Muslim community in Nepal for their travel to Saudi Arabia for Hajj. A total of 1012 Nepalese Muslim pilgrims performed Hajj in 2015.

State of Qatar

Nepal and the State of Qatar enjoy cordial and friendly relations.

Immediately after the earthquake that struck Nepal on 25 April 2015, the Government of Qatar sent a rescue team along with medical staffs and provided the relief materials including foodstuffs, medicines, power generators and tents. Qatar Red Crescent has assisted in the rehabilitation of the victims and reconstruction of the houses in the affected districts.

H.E. Abdullah Saleh Mubarak al-Khulafi, Minister of Labour and Social Affairs of Qatar paid an official visit to Nepal from 4 to 7 April 2015. During the visit, issues on migrant workers were discussed including the increasing demand for skilled and professional manpower from Nepal; regularising the undocumented Nepalese workers; facilitating the change of sponsorship by the workers; ensuring their safety, security and welfare; sharing of information and relevant documents to prevent fraudulent acts on recruitment process; providing sound and healthy

workplace environment, hygienic accommodation, twenty-four hours life insurance facility; covering recruitment cost; and using information technology for keeping workers documents and sharing it online.

Mr. Shanker Das Bairagi, Foreign Secretary of Nepal, paid an official visit to Qatar from 23-25 January 2016. During the visit Foreign Secretary Mr. Bairagi paid courtesy calls on H.E. Dr. Khalid bin Mohammed Al-Attiyah, Minister for Foreign Affairs and H.E. Dr. Abdullah bin Saleh Mubarak Al- Khulafi, Minister of Labour and Social Affairs. During the meetings, views were exchanged on consolidating and expanding various aspects of bilateral relations and cooperation. They also shared views on the celebration of the 40th anniversary of the establishment of diplomatic relations next year.



A meeting of the Joint Committee under the provision of Article 14 of the Bilateral Agreement Concerning Nepalese Manpower Employment in the State of Qatar was held in Kathmandu on 01 March 2016. During the meeting, the Nepalese side expressed concern over mainly the safety and security of Nepalese migrant workers in Qatar while the Qatari side primarily raised the difficulties and slowness of the current recruitment process in Nepal.

Agreement between the Government of Nepal and the State of Qatar on the Waiver of Visa Requirements for Holders of Diplomatic and Official Passports proposed by Nepal is under consideration with Qatari side whereas Agreement of Cooperation in the Field of Culture and Agreement on Reciprocal Promotion and Protection of Investments are under consideration of the authorities concerned of Government of Nepal.

Around 400,000 Nepalese are currently working in Qatar in the period of review. The prospect of employment in Qatar is ever growing due to the massive construction of infrastructure by the Qatari government for the FIFA World Cup2022 and implementing the Vision 2030 of the Government of the State of Qatar.

Air connectivity is one of the preconditions in promoting tourism, trade and people to people contact. At present, Qatar Airways is operating three direct passenger flights to Kathmandu daily and handling a significant quantity of Nepalese export goods bound for Europe and America. Similarly, Nepal Airlines operates three flights a week between the two capitals. The air connectivity between Kathmandu and Doha has facilitated the movement of the people to either side.

The Embassy of Nepal in Doha in coordination with the Nepal Tourism Board organised a 5-day familiarisation trip of five journalists of Qatar to Nepal. Upon their return from the trip they published articles and news relating tourism in Nepal in English and Arabic newspaper.

The Embassy of Nepal in Qatar issued clearance certificate to change sponsors to 4,606 Nepali migrant workers. Thirty-four (34) families received compensation for death and injury.

United Arab Emirates

Nepal and United Arab Emirates maintain close, friendly and cordial relations. Nepal has supported UAE's bid to host World Expo in Dubai in 2020.

The Government of the UAE sent 87 member search and rescue team to assist in the rescue operation undertaken by the Government of Nepal immediately after 25 April 2015 earthquake. The UAE also offered a substantive scale of relief materials to the quake-hit people.

During the period of review, following draft Agreements/MoUs between Nepal and the UAE were under consideration:

1. Agreement on the Promotion and Reciprocal Protection of Investments
2. Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital
3. Air Service Agreement

Nepal signed a labour agreement with the United Arab Emirates in 2007. The Nepalese in the UAE have been able to earn reputation of having sense of discipline, honest, hardworking and law abiding people. Currently, about 1,80,000 Nepalese migrant workers have been working in the UAE.

During the period of review the Embassy rescued or assisted 87 Nepalese and repatriated 79 persons during the same period. Fifty five families received compensation.

On the sidelines of the 70th Session of the UNGA, the Foreign Minister of Nepal had a meeting with H.E Foreign Minister of UAE. During the meeting, the UAE side announced that it would open its Embassy in Kathmandu in 2016.

Kuwait

Nepal and Kuwait maintain close, friendly and cordial relations.

After the devastating earthquake in Nepal, the Government of Kuwait provided USD 3 million through Kuwait Red Crescent Society for the earthquake victims of Nepal. In addition, the Embassy of Nepal, Kuwait City collected and transferred a total of USD 194 thousand to the Prime Minister's Disaster Relief Fund. Various Nepalese Community Organisations, companies, Embassy's staff and individual Nepali migrant workers contributed to the fund.

A delegation of Kuwait Fund consisting of Mr. Hamad-S Al Omar, Deputy Director General and Waleed Al Bahar, Regional Manager for East, South Asia and Pacific Countries visited Nepal on 21-24 March 2015 to sign on the loan agreement on irrigation system improvement in eastern and central region of Nepal.

Mr. Ayad Al- Gharaballi, Assistant Regional Manager for East South Asia and Pacific Countries and Dr. Hani Al Ghawas, Engineering Advisor from Kuwait Fund visited Nepal on 23-26 June 2015 to participate in the International Conference on Nepal's Reconstruction.

During the period of review, three Agreements were discussed between the two governments: Agreement on Workers' Recruitment and Domestic Service Workers' Recruitment; Agreement on the Waiver of Visa Requirement for Holders of the Diplomatic and Special/Official Passport Holders; and Agreement on Cooperation in the Field of Culture, Media, Education, Science and Technology.

It is estimated that around 60,000 Nepalese workers are working in different sectors in Kuwait. Out of them nearly 29,000 are female workers mostly working as domestic service sector. The Nepalese workforce, particularly in the security sector, is highly admired by Kuwaiti society. The number of skilled workforce is also growing over the years.

During the period of review the Embassy of Nepal rescued and assisted 292 female and 929 male workers.

Sultanate of Oman

The Government of the Sultanate of Oman immediately sent 40 trained personnel for earthquake rescue operation in Nepal. The Sultanate also offered a substantial scale of relief materials to the quake-hit people. The Oman Charitable Organisation also sent medicines to Nepal for the needy people. The Embassy, with the help of Nepalese community in Oman, collected donations equivalent to NRs. 11 million as relief assistance for the earthquake victims and sent to the Prime Minister's Disaster Relief Fund.

During the period of review, the MoUs on Labour and Training, Avoidance of Double Taxation, and Political Consultation were considered by the two governments.

Oman has been growing as one of the attractive destinations for Nepalese youths who are aspirants of foreign employment and the current figure of Nepalese migrant working over there stands at around 20,000.

Embassy of Nepal, Muscat assisted and rescued 83 Nepalese workers and eight families received compensation during the period of review.

Bahrain

Nepal and Bahrain continued to enjoy friendly and cordial relations during the period.

In the wake of massive earthquake of 25th April in Nepal, Royal Charity Organisation (RCO) sent a team of humanitarian workers with relief materials to Nepal. His Highness Sheikh Khalid bin Ali Al Khalifa led the Bahraini team to Nepal as a special envoy of His Highness Prince Sheikh Nasser bin Hamad Al Khalifa who is the President of the RCO. Under the directive of His Majesty King Hamad bin Isa Al Khalifa, Bahrain-Nepal Support Committee was formed under the chairmanship of RCO Secretary-General Dr. Mustafa Al Sayed. The Embassy received donations equivalent to NRS 4.01 million for earthquake victims.

During the period of review, Nepal and Bahrain considered the Agreement on Avoidance of Double Taxation, and MoU on Political Consultation.

Bahrain is one of the preferred destinations for employment for Nepalese workers. It is estimated that Bahrain has been currently employing around 30,000 Nepalese workers.

Embassy of Nepal, Manama rescued and assisted two female Nepalese migrant workers, and three families received compensation.

Arab Republic of Egypt

During the period under review, Nepal and Egypt have continued to maintain close, friendly and cordial relations.

In the wake of devastating earthquake in Nepal, Union of Arab Doctors (a private institution in Egypt) sent a team of doctors and various relief materials and goods. The Embassy of Nepal in Cairo also coordinated to collect assistance from other accredited countries. The Embassy received USD 1 million and also sent helicopters and other relief materials along with a team of 40 persons from Algeria. A private Company called Dangote of Nigeria has also provided USD 1 million to Prime Minister's Disaster Relief Fund and a small team of doctors from Lebanon had also

been sent (funded by Red Crescent, Qatar). The Embassy collected around NRS Six hundred thousand which was deposited in the Relief Fund.

Egypt is providing three scholarships for Nepalese student since 2014 for MBBS degree. The number of scholarship is said to be increased to five from September 2016. Egypt also provides some 15 scholarship annually to Nepalese Muslim student to pursue Islamic studies at Al Azhar University. Egypt also provides five annual training opportunities in agriculture field to Gazetted 3rd and 2nd Class Officer working at the Ministry of Agriculture. The total number of Nepalese student in 2015 was 130.

State of Israel

The bilateral relations between Nepal and Israel that is characterised by mutual, goodwill, understanding and friendship continued to grow this year. Nepal continued to support the right of Israel to exist within secure and internationally recognised boundaries while supporting the Palestinian cause for an independent state.

Government of Israel sent its humanitarian mission of over 250 doctors and other members from Israel Defense Force for rescue and relief operation after the earthquake in Nepal. The Israeli group set up the field hospital with 60 beds, including an obstetrics department which was operated in coordination with the local army hospital. Israel offered to support in reconstruction of a village damaged by earthquake.

Israel extended valuable cooperation to Nepal in various fields including establishment of the National Construction Company of Nepal and training facilities for the Nepalese Army personnel. Israel provided Nepal with short-term scholarships in various subjects particularly in the areas of agriculture, education, rural development, water resources, tourism, etc. Israeli experts provided technical assistance in farm management, artificial insemination, irrigation, childhood education, workers, cooperative biotechnology and farm machinery in Nepal.

There is an immense potential of promoting tourism between the two countries. Over 6,000 Israeli visited Nepal during the period of review.

During the period, Nepal and Israel have discussed/signed the following Agreement/MoUs:

1. A Joint Pilot Programme for the "Recruitment of Caregivers from Nepal to Treat Disabled Elderly Employers in Israel" was signed in Kathmandu on 7 August 2015. The Israeli side is planning to take 60 caregivers in the first lot and total 300 caregivers by the end of this programme.
2. An MoU on Consultation Mechanism between the Ministries of Foreign Affairs of both the countries has been finalised and is ready for signature.
3. Other proposed draft agreements between the Government of Nepal and the Government of the State of Israel under consideration are Mutual Visa Exemption for Holders of Diplomatic/Official Passports and Cooperation in the Fields of Culture, Education and Science.

Israeli Companies have invested in construction sector in Nepal and Tsunami Technologies owned by an Israeli entrepreneur and proposed Honorary Consul is operating in Nepal in the IT sector with the investment of USD 100 thousand. This has created job opportunities for 40-50 Nepalese youths.

South Africa

Nepal and South Africa continued to maintain friendly and cordial relations.

The Embassy of Nepal in Pretoria transferred the donation amount of USD 90 thousand for earthquake victims to the Prime Minister's Disaster Relief Fund.

Deputy Minister of International Relations and Cooperation (DIRCO) of the Republic of South Africa, H.E. Ms. Nomaindiya C Mfeketo, paid an official visit to Nepal from 20-22 August 2015. During the visit, she had meetings with the Hon'ble Minister for Foreign Affairs Mr. Mahendra Bahadur Pandey, the Foreign Secretary Mr. Shanker Das Bairagi and Mr. Surya Kiran Gurung, Chairman of the Truth and Reconciliation Council. During the meetings, discussions were held to further strengthen the bilateral relations for the benefits of both countries.

Nepalese diaspora in South Africa consists of 300 Nepalese, most of them working in medical fields as well as restaurants, industries and other unorganised sectors. Nepalese students are undertaking pilot training and hotel management courses.

The number of Nepalese expatriates living in the countries the Embassy is concurrently accredited is 300 each in Kenya and Mauritius, 200 in Tanzania, 30 each in Zimbabwe and Lesotho and 50 each in Botswana and Zambia totaling 960 altogether.

The Nepalese Embassy in Pretoria rescued and repatriated 23 girls from Tanzania, 20 girls and two men from Kenya, 6 persons from South Africa, and one person from Mauritius this year.

Europe and Americas

Nepal continued to engage with the countries in Europe and Americas in line with its foreign policy priorities. For political, economic and humanitarian reasons, Nepal's interactions with these countries remained important. Nepal faced the immediate challenges posed by the devastating earthquake of 25 April 2015 which necessitated garnering additional support and cooperation from friendly countries for the longer-term reconstruction needs of the country. It was also important for Nepal to ensure continued goodwill, support and solidarity of these countries in the run up to and after the conclusion of the historic peace process with the promulgation of the Constitution on 20 September 2015. As the important partners for trade, investment and development, Nepal's engagements with these countries in economic front continued to grow.

Countries in both the regions welcomed the promulgation of the new Constitution acknowledging its democratic and inclusive features, as well as the process that was participatory, inclusive and democratic. Almost all countries having friendly relations with Nepal in both Europe and Americas viewed the political developments in Nepal as positive and forward looking. They have expressed their commitment to continue supporting Nepal morally, politically and materially as the country enters into the era of economic transformation.

The devastating earthquake destroyed a number of precious historical monuments and tourist attractions. In the wake of the disaster, our diplomatic machinery made all efforts to convey message that Nepal is safe for travel in these countries which are traditionally important tourist generating markets. Towards the later part of the year, most of these countries removed their negative travel advisories on Nepal.

Nepalese diaspora, including the NRN, was encouraged to establish good relations with local parliamentarians, businessmen, investors, organisations and individuals from their respective places to invest or attract investment in hydropower, trade, tourism and infrastructure of Nepal.

More importantly, promoting political relations with the countries in the geographical regions, together with conducting development diplomacy, remained top priorities of the Nepalese missions in the regions.

Belgium

Brussels remained a major diplomatic outpost for Nepal during this period. Not only as the home to most of the EU institutions and other important international organisations, but also on account of the size and vitality of Belgian economy itself, and with a significant number of Belgian tourists visiting Nepal every year as well as the presence of a sizeable Nepalese Diaspora in Belgium and the Netherlands, Brussels remained a major diplomatic outpost for Nepal during this period. Nepal's traditionally friendly and cordial relations with Belgium remained more important for Nepal during last year.

The Government of Nepal expressed its shock over the terrorist bomb attacks at different places in Brussels on 22 March 2016 that resulted in the loss of scores of lives and injuries to many innocent people. The Government of Nepal, in line with its principled position, unequivocally condemned terrorism in all its forms and manifestations and held the view that terrorism must be firmly and resolutely dealt with wherever and whenever it takes place.

Our Embassy in Brussels played an active role in mobilising support to and solidarity with Nepal in the aftermath of the April earthquake last year. On 26th April, a day after the devastating earthquake, H.E. Ambassador Mr. Ram Mani Pokharel met with the Belgian Home Minister, H.E. Mr. Jan Jambon to request the Belgian Government for its cooperation on immediate rescue and relief works. Following the meeting, a team of Belgian Disaster Rescue personnel (B-FAST) dispatched and contributed to the rescue efforts in Nepal. The Embassy organised, participated and facilitated many fundraising events organised by individuals and organisations.

Throughout the period, the Embassy organised various economic diplomacy related events. On 17 April 2016 the Embassy, in collaboration with the Non-Resident Nepalese Association (NRNA), Belgium, organised annual Nepal Festival in the city of Leuven. The purpose of the Festival was mainly to promote tourism among the Belgian visitors and raise positive awareness about Nepal. During the festival, Nepali food, cultural performances, artifacts and other relevant presentations were made. The Embassy, in collaboration with the European Institute of Asian Studies (EIAS), Brussels organised a symposium titled "Post-Disaster Aid to Nepal: From Need to Response" on 30 June 2015. Other activities of the Embassy under the economic diplomacy initiatives included the installation of a Gurkha monument at the war memorial site of Ieper in Belgium. The monument was jointly inaugurated by the Mayor of Ieper municipality and the Nepalese Ambassador on 16 July 2015.

H.E. the Ambassador of Nepal and the Vice-Mayor, Mr. Philip Heylen of Antwerp jointly inaugurated a Buddha statue that was installed by the Embassy in Park de Brandt in the city of Antwerp on 16 June 2015. Similarly, on 3 November 2015, the Embassy together with the European Institute for Asian Studies (EIAS) organised a seminar on the topic of "Cultural Heritage Management in Post-Earthquake Nepal" which was attended by the representatives of Brussels-based international organisation, diplomats, think tanks and media persons.

Brazil

Nepal's relations with Brazil remained friendly and cordial this year too.

Brazil participated in the International Conference on Nepal's Reconstruction on 25 June 2015 in Kathmandu. The Ambassador of Brazil to Nepal represented Brazil in the Conference.

Our Embassy in Brasilia continued to be active in promoting Nepal's image and interests in Brazil through its various activities. The Embassy was engaged in promoting Nepal through various economic diplomacy related events during the reporting period. It participated in a tourism promotional programme on 24 April 2015 in Salvador, the Capital of the Brazilian state of Bahia. The Embassy made presentation on Nepal's tourism and held interaction with participants. Tourism promotional materials were also distributed on the occasion. The Embassy coordinated the visit of a private sector delegation of Nepal-Brazil Chamber of Commerce and Industries to Brazil from 23 August to 6 September 2015 and held B2B

meetings with Brazilian businessmen. Similarly, the Embassy participated in a musical programme at the Castro Mendes Theater in the Campinas city of Sao Paulo on 9 July 2015 to generate funds for the victims of April 2015 earthquake. Information was also disseminated on the touristic attractions in Nepal.

Canada

Nepal-Canada relations witnessed major developments in political as well as in economic areas during the review period. Canada remained an important development partner for Nepal. Canada provided immediate rescue and relief support in the aftermath of the earthquake and has pledged significant support for the reconstruction. Politically, Canadian goodwill and support for Nepal's peace and constitution-writing process continued. Canada welcomed the promulgation of the new constitution and expressed willingness to continue its support and cooperation to Nepal as the country began implementation of the new constitution and entered into the phase of economic transformation.

The Government of Canada made an announcement to contribute USD 27 million as immediate humanitarian assistance to Nepal through International and Humanitarian Agencies of Canada to help earthquake victims in Nepal. The Foreign Minister of Canada also announced a matching fund for the earthquake relief of Nepal and requested individuals and social organisations to contribute to the relief fund. Disaster Assessment Response Team (DART) of Canada, Red Cross Canada, Global Medic and other organisations sent their immediate rescue and relief teams to provide support to the earthquake victims and survivors in Nepal. They provided their services in various places as assigned by the Government of Nepal.

The Government and people of Canada donated a total of USD 51.7 million through various eligible organisations to the post-earthquake rescue, relief and rebuilding efforts. The Government of Canada has committed USD 24.7 million to the Prime Minister's Disaster Relief Fund to support Nepal's rebuilding phase.

The Minister for Labour and Minister for Status of Women of Canada, Dr. Kellie Leitch paid a visit to Nepal from 27-31 May 2015 and held discussions with the Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey, the Minister for Women, Children and Social Welfare, Ms. Nilam K.C. (Khadka), and the Minister of State for Labour and Employment, Mr. Tek Bahadur Gurung.

Trade Facilitation Office (TFO) of Canada organised a seminar titled Exporting to Canada in Kathmandu on 6 February 2015 with the support of Nepal Chamber of Commerce.

Our Embassy in Ottawa remained active throughout the reporting period in promoting Nepal's economic interests by organising and participating in various economic diplomacy related events and activities. The Embassy participated in the International Tourism and Travel show organised by Expo Media Inc. in Montreal, Canada from 23-25 October 2015. The Embassy also participated in a tourism event "Ultimate Travel Show Toronto" by opening Nepal stall in Toronto from 23-24 January 2016. The Embassy participated in the International Development week at the University of Ottawa, which was held on 5-6 February 2016, by sponsoring some Nepali cuisines and promotional materials. Embassy of Nepal also participated in a tourism event "The Travel and Vacation Show" in Ottawa from 9-10 April 2016, by opening Nepal stall.

With an objective to redouble the efforts to promote the earthquake hit Nepal's tourism in Canada and North America, the Embassy of Nepal published a tourism advertorial in February-March 2016 issue of "Horizon Travel and Lifestyle" magazine, a premier North American magazine. In response to Embassy's request to run a free video advertorial in their video advertisement screens in Toronto, the Horizon Magazine also ran a short video advertorial of Nepal's tourism in different 10 screens of Path, the busy downtown Toronto's underground 30 km Pedestrian Way.

Cuba

Nepal and Cuba continued to enjoy friendly and cordial relations during the report period. Cuba sent a team of medical doctors in the immediate aftermath of the earthquake last year.

Non-resident Nepalese Ambassador to Cuba, H.E. Mr. Kali Prasad Pokharel had a meeting with the Vice-President of Cuba, H.E. Mr. Salvador Valdes Mesa in Havana on 20 January 2016 after presentation of his credentials. During his visit to Cuba, Ambassador Pokharel had meetings with other high officials of Cuban Government including Deputy Foreign Minister, First Vice-Minister of the Ministry of Education.

The Government of Nepal welcomed the growing thaw in relations between the United States of America and the Republic of Cuba. As a friendly country and also as a staunch supporter of global peace and harmony, Nepal expressed belief that the normalisation of relations between the two countries would contribute significantly towards promoting peace and stability in the region and beyond.

Denmark

During the reporting period, Nepal and Denmark continued to enjoy friendly, cordial and cooperative relations marked by the exchange of important visits. Denmark continued its development cooperation to Nepal as well as the support and solidarity to Nepal in the aftermath of the devastating earthquake of April 2015.

Denmark was one of the first countries to respond to the earthquake of 25 April 2015. As a response to an appeal from the UN, the Danish Emergency Management Team sent Danish experts and IT equipment to lead the establishment of three communication centres to coordinate the emergency aid in Nepal. Denmark provided a total of DKK 31.3 million to Nepal following the devastating earthquake. Our Embassy in Copenhagen pursued political and economic interests actively with emphasis on Nepal's immediate need and priorities for the post-earthquake reconstruction. Since Denmark and other Scandinavian countries are major tourist generating markets for Nepal, the Embassy coordinated with the respective governments to consider reviewing travel advisories to encourage the tourists to visit Nepal. We continued to convey the message that Nepal was safe for travel even after the earthquakes. The Ministry of Foreign Affairs of Norway and Sweden lifted their negative travel advisories on Nepal from 13 August 2015.

Exchanges of important visits from both sides took place during the period. From the Danish side, Mr. Thomas Thomsen, Senior Advisor & Head of Team, Humanitarian Action, Civil Society and Personnel Assistance at the Danish Foreign Ministry visited Nepal in the first week of June 2015 to undertake the monitoring of the activities of Danish NGOs operating in Nepal at the aftermath of the devastating earthquake of 25th April.

The Rt. Hon'ble Chief Justice, Mr. Kalyan Shrestha visited three Nordic countries (Finland, Denmark and Norway) in October 2015 as part of a judicial study tour and held interactive meetings with his Danish counterpart and other high judicial

authorities in Denmark. Similarly, a nine-member Nepalese Human Rights Delegation involving the Hon'ble Members of the National Human Rights Commission visited Denmark at the invitation of the Danish Institute for Human Rights from 8-10 October 2015. A Nepalese delegation led by the Hon'ble Ms. Chitra Lekha Yadav, Minister for Education visited Denmark during from 2-7 June 2015 to participate in an International Conference hosted by the Danish Institute for Parties and Democracy (DIPD). The delegation included Ashta Laxmi Shakya, Member of Constituent Assembly-Legislature Parliament and Former Minister, Jitendra Narayan Dev, Member of Constituent Assembly-Legislature Parliament, and Former CA member Mr. Khim Lal Devkota.

Our Embassy in Copenhagen organised a number of promotional events in Denmark during the period. The Embassy organised "Explore Nepal 2015", a promotional event, with the support of local Nepalese community and the Non-Resident Nepalese Association-National Coordination Council, Denmark.

The event showcased various Nepalese products as identified in Nepal Trade Integration Strategy 2010. The Embassy participated in International Gala Festival of National Fareorganised by the Cultural Confederation of Foreign Societies (KUKS), Denmark in honour of the United Nations Day on Friday, 23 October 2015. More than 30 countries (UN member states) including Nepal showcased their national cuisines whereas Nepal had also presented cultural dances.

European Union

Nepal and the European Union had constructive and cooperative engagements throughout the period 2015/16. While providing significant contribution to the rescue, relief and rehabilitation following the devastating earthquake of April 2015, the EU continued its substantive economic and development cooperation. The high level visits further contributed to strengthen bilateral relations.

In the aftermath of the earthquake, European Union's Commissioner for Humanitarian Aid and Crisis Management, Mr. Christos Stylianides, together with the United Nations Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Ms. Valerie Amos visited Nepal from 30 April to 2 May 2015. The European Commission announced EUR3 million in its immediate response to the earthquake. EU also announced EUR 16.6 million budgetary support for the relief and rehabilitation.

European Commissioner for International Cooperation and Development, Mr. Neven Mimica participated in the International Conference on Nepal's Reconstruction held in Kathmandu on 25 June 2015. At the conference Mr. Mimica, on behalf of the EU, pledged budget support cooperation worth EUR100 million for the post-earthquake reconstruction in Nepal. During the visit, Mr. Mimica paid a courtesy call on Hon'ble Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey on 24 June 2015 and reiterated the commitment of the EU to support Nepal in its post-earthquake reconstruction plan. During his visit, he reiterated EU's commitment to continue with the regular development cooperation to Nepal for the EU financing period of 2014-2020. EU-Nepal Cooperation Programme for the EU Multi-Annual Indicative Programme (MIP) period 2014-2020. The MIP 2014-2020 has three focal sectors: sustainable rural development; education including technical and vocational training; and strengthening of democracy and decentralisation. The EU announced that it would increase its assistance to Nepal's development programmes to an amount of EUR 360 million in the financing period of 2014-2020. Paying a joint call on the Rt. Hon'ble Prime Minister, Mr. K. P. Sharma Oli on 15 October 2012, a team of Kathmandu based EU and European Ambassadors and their representatives, led by the Head of the EU Delegation, H.E. Ms. Rensje Teerink, congratulated the Government and people of Nepal on the promulgation of the new Constitution on 20 September 2015. They also expressed the support and cooperation of their respective governments to the new government in carrying out important tasks at hand including postearthquake reconstruction. The Ambassadors expressed their concern at the worsening supply situation in Nepal and its potential humanitarian dimension as a result of continued obstructions, blockages and delays at Nepal-India border crossings.

The 9th session of the Nepal-EU Joint Commission was held on 24 November 2015 in Kathmandu. During the meeting, various issues of mutual interest between Nepal and the European Union were discussed. The two sides exchanged views on the post-earthquake reconstruction, the EU assisted development programmes in Nepal, including the future priorities. They also exchanged views on trade and investment, human rights, refugee issues as well as global issues including Post-15 Development Agenda, and international climate change negotiations. The two sides also briefed each other on the significant developments that took place in Nepal and the EU. The delegation of the EU reiterated its view that the promulgation of the new constitution was a historic event marking the beginning of a new democratic era in Nepal. The two delegations also shared views on

important regional and global issues. The Nepalese delegation was led by Mr. Shanker Das Bairagi, Foreign Secretary. Mr. Ugo Astuto, Acting Managing Director for Asia and Pacific of the European External Action Service led the delegation of the European Union.

Agreement between the European Community and the Government of Nepal on Certain Aspects of Air Services, signed at Brussels on 23 January 2009, entered into force this year after the notification from each party of the completion of their necessary internal procedures.

Nepal expressed displeasure over the contents of EU-India Joint Statement of 2016 on Nepal's Constitution. Nepal issued a statement on 31st March expressing the view that constitution making is an internal matter of Nepal and a sovereign democratic exercise of Nepali people.

Finland

Finland remained important development partner of Nepal during the period. Finland provided valuable support to Nepal in the aftermath of the April 2015 earthquake. Finland was represented in the International Conference on Nepal's Reconstruction by a delegation led by Mrs. Eija Rotinen, Deputy-Director General for the Department of Americas and Asia in their Foreign Ministry. The Government of Finland made a pledge of USD 2.2 million to support Nepal's reconstruction programmes.

France

The Government of Nepal strongly condemned the terrorist attacks in multiple places in Paris, France, that took place on 13 November 2015. The Rt. Hon'ble President, Ms. Bidya Devi Bhandari sent a message of condolences to the French President, H.E. Mr. François Hollande stating that the people and Government of Nepal stood by the people and Government of France at that hour of profound grief. Similarly, the Rt. Hon'ble Prime Minister, Mr. K.P. Sharma Oli stated that this attack was not only on the French people, but also on the values of open, democratic and egalitarian society that had been espoused by the French people for several centuries. In a message sent to the French President, H.E. Mr. François Hollande, the Rt. Hon'ble Prime Minister expressed his belief that such cowardly acts of terrorism could neither defeat such universal values nor dampen the spirit

of the French people. The Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa also sent a message of condolences to his French counterpart, HE Mr. Laurent Fabius. In his message, the Deputy Prime Minister mentioned that in line with its principled position on terrorism, Nepal strongly condemned the attacks.

In the aftermath of the earthquake on 25th April, the Government of France expressed solidarity with the people and Government of Nepal, and a mission of 11 rescuers along with equipment and supplies arrived in Kathmandu.

Our Embassy in Paris, participated in the 12th Nepal Festival organised on 6-7 June 2015 by Nepal Sanskritik Griha and a musical concert organised by Partage de la Monde on 7 June 2015, both in Paris. During both the events, the Embassy, among other things, called on all to extend support to the victims of April 2015 earthquake in Nepal.

With a view to promoting development diplomacy of Nepal and garnering support to the efforts being undertaken by the Government of Nepal for post-earthquake reconstruction and rehabilitation, the Embassy organised a Nepal support day programme on 7 July 2015 in cooperation with the 17th Mairie of Paris. During the programme, a conference was organised with the participation of a large number of French Associations working on Nepal. Representatives of various Associations including the Planet d' Enfants, Action Dolpo, Siemens, Enfants du Nepal et d' Ailleurs, Enfants et Development, Partage de la Monde, Gers-Himalaya shared their views on working on their respective areas in Nepal. Nepalese community organisations also attended the Conference. The Embassy of Nepal provided information on tourism in Nepal. Following the Conference, a cultural programme was held in the evening. The Embassy also coordinated a mass gathering in Paris on 2 May 2015 to pay homage to those killed in the April 2015 earthquake in Nepal and generate humanitarian assistance to the victims.

Germany

Nepal and Germany remained actively engaged throughout the reporting period with continued development cooperation and exchanges of views on political matters. Germany remained a major development partner for Nepal and the largest export destination for Nepal in Europe.

Following the earthquake, the Federal Foreign Office of Germany provided immediate relief from Germany equivalent to EUR3.5 Million (plus EUR 1 million also from BMZ) through various channels, especially the INGOs, to help mitigate the plight of devastating earthquake that hit the country on 25 April 2015. Out of the total EUR4.5 million for the immediate relief, EUR2.5 million was spent through German Red Cross and other German NGOs, EUR1.5 million through World Food Programme and EUR0.5 million through OHCHR. The German Government pledged the support of EUR 30 million to be spent under the declared priority sectors, mainly in the health sector.

The Embassy of Nepal in Berlin was actively involved in promoting Nepal throughout the period 2015/2016. A special yearly programme named 'Nepal Tage' (Nepal Day) was organised in Cologne on 2 May 2015. Similarly, a Photo-Exhibition under the title 'Images from the Himalayan Foothills' was organised in Berlin on 15-16 July 2015. The Embassy of Nepal took part in a special exhibition named 'BMZ Day' with a separate stall, organised by the Ministry of Economic cooperation and Development (BMZ) of Germany on 30 August 2015. Around 7,000 visitors were present at the exhibition. While highlighting various incentives available in Nepal for foreign investment, the Embassy conveyed the message to the visitors that Nepal was safe for visit even after the earthquake. A special programme to promote Nepalese handicrafts, tea/coffee and tourism was organised in the cityhall of Darmstadt (near Frankfurt-Germany) from 13-15 November 2015 with an evening documentary show on Nepal by a famous German Photographer Mr. Dieter Glogowski entitled 'Weitsicht Multimedia Festival'. Nepal was a focus country for the year.

Iceland

Nepal-Iceland relations remained cordial and friendly during the reporting period. High level engagements continued between the two countries on the margins of international forums. The Embassy of Nepal in London, in cooperation with Nepalese community, organised a Nepal tourism promotional programme in Reykjavik of Iceland on 16 June 2015.

Ireland

As a country with which Nepal has long enjoyed very good relations sharing many common aspirations and interests, contacts as well as exchanges between the two countries continued which remained friendly and cordial.

Nepalese Embassy in London maintained representation and contact to Ireland with a number of meetings, and visits. In order to promote Nepal's economic interests in Ireland the Embassy of Nepal in London, in association with the Nepal Ireland Society, organised a Nepal tourism promotion programme in Dublin on 13 July 2015.

Jamaica

Nepal established diplomatic relations with Jamaica during the reporting period. On 01 October 2015, Hon'ble Mr. Mahendra Bahadur Pandey, Minister for Foreign Affairs and H.E. Mr. Arnold J. Nicholson Q.C., Minister for Foreign Affairs and Foreign Trade of Jamaica signed a Joint Communiqué on the Establishment of Diplomatic Relations between Nepal and Jamaica in New York. On the occasion, the two Ministers expressed the need for promoting bilateral relations for mutual benefits in the days to come.

Netherlands

Nepal and the Netherlands enjoyed cordial and cooperative relations and the level of interactions and exchanges between the two countries remained satisfactory during the last year. Netherlands responded to the earthquake last year by immediately sending a search and rescue team and offering immediate relief assistance. A few important visits took place during the year. The Embassy of Nepal in Brussels remained in regular communications with the Dutch Foreign Ministry and exchange of views on matters of mutual interests continued.

Currently, much of the Dutch development support to Nepal is channeled through the multilateral entities such as the UN and the EU, and a significant amount of cooperation is provided to Nepal through various Dutch NGOs and INGOs. In the aftermath of the earthquake also, the Dutch NGOs and humanitarian organisations provided significant humanitarian support to the earthquake victims.

The Embassy of Nepal in Brussels organised and participated in a number of events and activities to promote the economic interests of Nepal in the Netherlands. As an important tourist generating market the Embassy participated in the Nepal Day event organised in Utrecht on 27 June 2015. Similarly, the Embassy participated in the Nepal Day organised in Valkenbourg in the Netherlands on 28 June 2015 with the view to promoting the tourism attractions of Nepal.

The Embassy, in coordination with the Honorary Consulate of Nepal in the Netherlands, arranged for a month long Nepal tourism promotion in the month of August 2015 by displaying tourism posters in the central train stations of Utrecht and Amsterdam with a request to the prospective Dutch tourists to visit Nepal, especially in the context of dwindling tourist arrivals in the aftermath of the earthquake.

Exchange of high level visits also took place between the two countries. The Hon'ble Minister for Information and Communications, Mr. Minendra Rijal visited Netherlands to attend the Global Conference on Cyber Security hosted by the Dutch Government from 15-16 April 2015. Similarly, H.E. Ms. Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation of the Netherlands visited Nepal from 7-8 May 2015. During the visit, matters of bilateral and mutual interests between Nepal and the Netherlands were discussed, focusing mainly on postearthquake situation of Nepal and emergency humanitarian assistance extended by the Government and people of the Netherlands to the affected people of Nepal, potential support of the Netherlands in the phase of recovery, rehabilitation and reconstruction as well as the International Conference on Nepal's Reconstruction 2015. Special Representative of the Netherlands, Ambassador Laetitia van den Assum visited Nepal in March during which she held meeting with the Deputy Prime Minister and Minister for Foreign Affairs, Hon'ble Mr. Kamal Thapa on 15 March 2016.

Norway

Nepal–Norway relations remained excellent throughout the reporting period. Exchange of important visits took place. Norway extended support and solidarity to Nepal's peace and constitution writing process and welcomed the promulgation of the new constitution on 20 September 2015. For two years, Nepal remained in the list of priority countries for Norway's development cooperation. Norway's

development cooperation in Nepal focused on education, energy and good governance. Nepal continued efforts to invite Norwegian private sector to invest more in Nepal's hydro-power sector. Norway's continued interest in Nepal's hydropower sector remains to be one of the important economic dimensions of the bilateral relations.

In the aftermath of the earthquake, Norway extended support in the rescue and relief works. Norway provided NOK 30 million in emergency relief on the very day the disaster struck. Norway's total funding to Nepal after the earthquake amounted to NOK 230 million, making Norway a major donor after the disaster. Norway also supported the humanitarian efforts in Nepal through the UN emergency fund, the International Red Cross fund and the Asian Development Bank's Earthquake Emergency Assistance Project.

H.E. Mr. Borge Brende, Minister for Foreign Affairs of the Kingdom of Norway visited Nepal to participate in the International Conference on Nepal's Reconstruction (ICNR) held in Kathmandu on 25 June 2015. During the Conference, the Norwegian Foreign Minister had announced the support of NOK 200 million to Nepal for the post-earthquake reconstruction of Nepal. Participation of the Foreign Minister himself in the ICNR is the manifestation of the exemplary state of Nepal-Norway relations. The Norwegian State Secretary for Foreign Affairs, H.E. Mr. Morten Hoglund visited Nepal during 14-15 April 2015.

Russian Federation

Nepal and Russian Federation enjoyed friendly and cordial relations during the reporting period. Meetings between high-level dignitaries and officials took place in the margins of major international forums and views were exchanged for mutual cooperation on many areas of common interest and priorities for the two countries.

Immediately after the Constitution of Nepal was promulgated on 20 September 2015, Russia welcomed the development by commenting on 21st September in Moscow that the Constitution "fully meets generally accepted standards, ... is the most important condition for stability and strengthening the unity of Nepal as a sovereign democratic state," and expressed readiness for further cooperation with Nepal.

Embassy of Nepal in Moscow remained active in promoting Nepal's interest throughout the reporting period. Focus was on economic diplomacy related activities which included formation of a committee of businessmen in collaboration with NRNA Russia to promote Nepalese products in Russia and CIS (Commonwealth of Independent States) countries. Similarly, a tourism promotional programme was organised by Nepal Tourism Board in cooperation with the Embassy on 25 March 2016 during the Moscow International Travel and Tourism Exhibition (MITT) 2016. On the occasion of the diamond jubilee of the establishment of bilateral relations between Nepal and the Russian Federation, Nepalese fine arts exhibitions were organised in St. Petersburg and Moscow on 12 April and 14-16 April 2016 respectively.

On 25 January 2016 Honorary Consulate office was inaugurated by the Nepalese Ambassador, H.E. Mr. Ravi Mohan Sapkota (Kopila) in St. Petersburg by handing over the letter of Commission to the newly appointed Honorary Consul of Nepal in St. Petersburg, Russia, Mr. Alexander Vladimirovich Trentev.

Slovenia

Nepal and Slovenia enjoyed cordial and friendly relations. Though exchanges and interactions are limited between the two countries, contacts are maintained at various forums and occasions. A programme was organised by the Honorary Consulate General of Nepal in Ljubljana, Slovenia on 26 November 2015 to mark the 40th anniversary of the first ascent of Mount Makalu by the Slovene mountaineers. Hosted by Hon'ble Consul General of Nepal, Mr. Aswin Kumar Shrestha, the programme was attended by the high level Slovene dignitaries as well as members of Alpine Association of Slovenia (PZS) and Nepal Mountaineers Association along with more than one hundred selected invitees.

Spain

The relations between Nepal and Spain remained friendly and cooperative during the report period. Though there were no major high-level visits between the two countries, the Hon'ble Foreign Minister, Mr. Mahendra Bahadur Pandey met his Spanish counterpart, H.E. Mr. José Manuel García-Margallo in New York on 25 September 2015 in the margins of UN General Assembly meetings. During the meeting, Hon'ble Minister Pandey conveyed Nepal's interest in further

strengthening ties with Spain, especially in the field of economic activity, and encouraged Spanish companies to seek opportunities in Nepal. He also appreciated the important role of Spain within the EU which is one of the important development and trade partners of Nepal. In turn, H. E. José Manuel García-Margallo conveyed Spain's support for the constitutional reform process in Nepal.

Sweden

Nepal and Sweden continued to enjoy longstanding friendly, cordial and cooperative relations during the year. Few important meetings and visits took place during the period. As both the countries are small and medium-sized countries with mountainous landscape and with heavy dependence on nature, especially agriculture, forest and water resources, they have high stakes in the climate negotiations and therefore exchanged views on cooperation between the countries during the COP21. Since the relations between the two countries are based on cooperation, equality and mutual respect, both the countries held similar views on many international issues and voiced for international peace and stability during this period also. Nepal and Sweden exchanged views on the possibility cooperation in the area of UN peacekeeping activities.

In the immediate aftermath of the earthquake in April 2015, Swedish Government provided SKR 50 million to the earthquake affected people of Nepal as emergency humanitarian assistance through UNICEF (SKR10 Million), WFP and UN Humanitarian Service (SKR 10 Million), Swedish Red Cross (SKR 5 Million) and others (SKR25 million). A 40-member team of experts in the field of engineering and health care coordination and management through Swedish Civil Contingencies Agency (MSB) also rendered their services during the phase of rescue and relief operations.

Special Representative of the Government of Sweden for Environment, H. E. Ms. Lena Ek visited Nepal and called on the Rt. Hon'ble Prime Minister, Mr. K. P. Sharma Oli on 17 November 2015. During the meeting they discussed the possibility of Nepal and Sweden working closely in advancing the common interests and concerns of the two countries in the Paris Climate Summit, COP21, in Paris on 7-8 December. The Swedish Envoy congratulated the Prime Minister for the promulgation of the new constitution and for his appointment as the Prime Minister. She noted that the adoption of the constitution was a historic event that would lay foundation for the country's future progress and prosperity. She

expressed happiness at the election of women to the high posts of the President and the Speaker of the Parliament. She remarked that this is a sign of democracy that would inspire other countries. She also had meeting with the Hon'ble Deputy Prime Minister and Foreign Minister, Mr. Kamal Thapa during her stay in Kathmandu.

H.E. Mr. Michael Fruhling, Ambassador at the Ministry of Foreign Affairs of Sweden visited Nepal to participate in the ICNR held in Kathmandu on 25 June 2015. Sweden has been extending support to the earthquake victims through various UN agencies and the NGOs in Nepal.

Switzerland

The longstanding friendly and cooperative relations between Nepal and Switzerland saw major developments during the reporting period. Switzerland remained an important development partner for Nepal with its own distinct mark in the socioeconomic transformation of Nepal. Swiss development cooperation in the area of vocational training, rural development and forest sector continued.

Swiss response to the devastating earthquake was immediate and spontaneous with significant support extended to Nepal in the immediate aftermath of the disaster. Swiss Government allocated an additional CHF 10 million to deal with challenges in the aftermath of the earthquake, in addition to the CHF 40 million committed in aid to Nepal for this year.

One of the major developments during the period in the bilateral relations between the two countries was the signing of a MoU establishing bilateral consultation mechanism between Nepal and Switzerland on 4 November 2015 in Kathmandu. The MoU provides for a mechanism for bilateral consultation on political, diplomatic, development cooperation and other areas of mutual interest between the Foreign Ministries of the two countries at the level of Foreign Secretary/State Secretary or Joint Secretary/Assistant State Secretary. Consultation meetings would take place alternately every second year in Kathmandu and in Bern.

Turkey

Nepal and Turkey continued to enjoy friendly and constructive relations during last year. Efforts to further expand relations with Turkey continued through several

initiatives including enhancing economic and trade linkages. The beginning of direct flight by Turkish Air between Istanbul and Kathmandu few years ago has brought the two capitals closer in terms of people to people contact and enhanced prospects for business relations. As evidenced by its successful hosting of the 4th UN Conference on LDC in Istanbul in 2011, Turkey's role and contribution to improving the lots of the LDCs like Nepal has been increasing in recent years. Nepal and Turkey continue to hold similar views on many issues of common issues, especially on the concerns of the Developing and Least Developed countries.

The Government of Nepal strongly condemned the suicide bombings in Ankara, the capital city of Turkey, on 10 October 2015 that caused the loss of many precious lives and huge damage of property. It extended heartfelt condolences and deepest sympathies to the victims of the terrorist attack as well as to the people and Government of Turkey and wished speedy recovery of the injured. While reiterating Nepal's principled position of condemning terrorism in all forms and manifestations, the Government of Nepal expressed belief that the culprits of that heinous crime would be brought to justice at the earliest.

United Kingdom

Nepal and the United Kingdom are celebrating the bicentenary of bilateral relations between the two countries in 2016. The period 2015/16 witnessed significant cooperation in multiple areas of mutual interests. Exchange of high-level visits between the two countries remained key features of the bilateral relations during the period. Exchange of views on important matters of political and economic interest continued during the period. The UK remained one of the top development partners of Nepal with the annual British aid on an increasing trend. Tourism, trade, education, and the British Gurkha connection remained the key dimensions of the bilateral relations.

Among the major events in the bilateral relations between the two countries during the period was the visit of His Royal Highness Prince Henry Charles Albert David (Harry) of Wales to Nepal from 19-30 March 2016. Prince Harry visited Nepal as part of the ongoing celebration of the bicentennial of the Nepal-UK relations. During the visit, the Prince paid courtesy calls on Rt. Hon'ble President, Ms. Bidya Devi Bhandari, Rt. Hon'ble Prime Minister, Mr. K. P. Sharma Oli. He also attended the Bicentenary reception hosted by the Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa in his honour. While in Nepal, His Royal Highness

Prince also attended the inaugural ceremony of the National Girl Summit inaugurated by the Rt. Hon'ble President Bidya Devi Bhandari on 23 March 2016. The visit contributed to further strengthen Nepal-United Kingdom bilateral relations which have, over the years, evolved into a multi-dimensional, cooperative and fruitful partnership encompassing political, military, economic, developmental, and educational spheres. It also helped raise more awareness and goodwill towards Nepal and Nepalese people among the British public and beyond.

Another major highlight of the year was the visit of the Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa to the UK from 16-19 December 2015 to attend the bicentenary reception organised by the Government of the United Kingdom. Hon'ble Thapa met his British counterpart Secretary of State for Foreign and Commonwealth Affairs, Rt. Hon'ble Mr. Philip Hammond, MP and exchanged views on various aspects of bilateral relations. The Deputy Prime Minister and Minister for Foreign Affairs briefed the British Secretary of State on Nepal's current political situation, including the promulgation of the new Constitution and the difficulties being faced with the disruption of supplies of fuel and other essential commodities at Nepal-India border check points. He also raised the issue of the British Gurkhas and requested the British Government for solution to the problem on the basis of equality, including through the implementation of the recommendations contained in the parliamentary report of Jackie-Doyle Price. He also talked about the release of Col. Kumar Lama, ex-Officer in Nepal Army, especially in the context of the establishment of the Truth and Reconciliation Commission in Nepal. The Rt. Hon'ble Mr. Philip Hammond, MP assured of British support in the development process of Nepal while welcoming the adoption of the new constitution in Nepal and citing it as a milestone in Nepal's history. Expressing his concern about the disruption of the supplies at the Nepal-India border checkpoints, he expressed his hope that the problem would be resolved soon. On the problems of British Gurkhas, he said that the British Government would make the best possible efforts, on the basis of the report of Jackie-Doyle Price, for the solution to the problem.

In a separate meeting, Deputy Prime Minister Mr. Thapa and Minister of State for Foreign and Commonwealth Office of the United Kingdom, Rt. Hon'ble Hugo Swire, MP exchanged views on various aspects of Nepal-UK relations in the context of the ongoing celebrations of bicentenary of the relations between the two countries. Deputy Prime Minister Hon'ble Thapa attended the special Bicentenary reception hosted by the Foreign and Commonwealth Office in London and addressed at the

reception highlighting the historically close relations between the two countries. He appreciated Britain's continued development cooperation to Nepal as a major international development partner and its continued support to Nepal's democratic and political process.

The Hon'ble Deputy Prime Minister also had a meeting with the Rt. Hon'ble Desmond Swayne TD MP, Minister of State for International Development and discussed the ongoing development cooperation between the two countries, especially, in the context of Nepal's humanitarian situation and Government's reconstruction plans. He urged the British Government to enhance its support and cooperation to expedite the post-earthquake reconstruction. They also exchanged views on DFID's next five-year development cooperation programmes and priorities in Nepal for the period of 2016-2021.

The Deputy Prime Minister, Hon'ble Thapa also held an interactive meeting with the members of the Nepal-UK All Party Parliamentary Group led by its Chairman the Rt. Hon'ble Birendra Sharma MP and participated in discussions on various aspects of Nepal-United Kingdom relations, including the issue of the remaining grievances of the British Gurkhas.

The second meeting of Nepal-UK Bilateral Consultation Mechanism took place in London on 17 December 2015 between the delegations of Nepal and UK. The meeting covered the whole gamut of Nepal-United Kingdom relations with briefings and updates from both sides on major developments and issues of common concern in the domestic as well as regional and international arena.

To mark the 200th year of the beginning of the official contacts between the two countries in 1816, a number of programs and events from both sides were organised and many more were either ongoing or in the pipeline. A high-level 32-member bicentennial organising committee under the chairmanship of the Hon'ble Deputy Prime Minister and Minister for Foreign Affairs was constituted to identify, design and coordinate all the bicentenary events from the Nepalese side. The bicentennial celebration would give new momentum to the traditionally friendly and cooperative relations between Nepal and the United Kingdom.

Development cooperation partnership between Nepal and the United Kingdom is one of the important aspects of the traditionally friendly relations between two countries. On 16 April 2015, the United Kingdom agreed to provide Financial and Technical assistance of GBP35 million (approximately NRs. 5.21 billion) to the

Government of Nepal for the implementation of Accelerating Investment and Infrastructure in Nepal Programme.

Nepal received generous support and assistance from the Government of the United

Kingdom in the aftermath of the earthquake of 25 April 2015. It responded to the Nepal earthquakes immediately with the deployment of Eight Disaster Response Specialists under Rapid Response Facility and with the release of GBP5 million. The United Kingdom Government pledged USD110 million for the reconstruction and rebuilding of Nepal. Secretary of State for International Development, Rt. Hon'ble Justine Greening, MP and DFID's Director General, Mr. Joy Hutcheon visited Nepal on 19 May 2015 to take the firsthand information on the damages caused by the earthquakes as well as to find out the effectiveness of the United Kingdom assistance to the earthquake victims. Similarly, Minister of State at the Department for International Development, Rt. Hon'ble Mr. Desmond Swayne TD MP, visited Nepal from 27-28 August 2015 for examining some of DFID's work in the area of disaster preparedness, including the Humanitarian Goods depot at the airport and the site of emergency supplies.

Nepal expressed displeasure over the contents of India-UK Joint Statement of November 2015 on Nepal's Constitution. Nepal issued a statement on 16th November expressing the view that constitution making is an internal matter of Nepal and a sovereign democratic exercise of Nepali people.

The Embassy of Nepal in London remained active in promoting Nepal's interests through various economic diplomacy related events. The Embassy participated in the ZEE London Mela 2015, which was held at Gunnersbury Park on 6 September 2015. The Embassy of Nepal took part in the festivities to promote Nepali tourism and culture. The ZEE London Mela is inspired by South Asian culture. It is Europe's largest Mela and attracts a diversity of audience every year. Similarly, the Embassy and Nepal Tourism Board (NTB) jointly organised a grand "Nepal Now Destination" tourism promotion programme at the Embassy on 3 November 2015 with special focus on the post-earthquake revival of tourism in Nepal. The programme was organised on the second day of World Travel Market (WTM) 2015, which was held in Excel, London from 2 to 5 November. The Embassy, in cooperation with the NRN Association of UK organised an interaction programme on 20 January 2016 in London on the role of NRN and Diaspora in economic development and prosperity

of Nepal. Former Finance Minister, Hon'ble Dr. Ram Sharan Mahat, who was in London for receiving the award "Best Finance Minister of the world and Asia-Pacific Region 2016", was also present at the programme.

United States of America

The period 2015/16 could be marked as an important year in Nepal-United States of America relations. The United States continued its moral and political support and solidarity to the political and constitution-writing process in Nepal and welcomed the promulgation of the new constitution. US response to the earthquake last year was instant, spontaneous and substantive. In terms of development cooperation, US remained a major development partner during the reporting period. In terms of trade also, US continued to be a major export destination for Nepal. The passage of Trade 'Trade Facilitation and Trade Enforcement Act, 2015' further boosted the prospect of increased export to the US. The US has increased its development cooperation in Nepal through the Millennium Challenge Corporation (MCC) compact initiative and is currently engaged with the Government of Nepal to identify appropriate projects in infrastructure and energy sector under the initiative. The US Government continued to offer a large number of trainings, short-term study courses, and exchange of study tours to the officials and professionals of the Government of Nepal, especially, the military and police personnel.

Within hours of the earthquake, a Disaster Assistance Response Team (DART) was deployed to coordinate the U.S. government's response efforts, conduct disaster assessments, as well as provide search and rescue capabilities. Its immediate humanitarian response included search and rescue deployments, emergency shelter, drinking water, food aid, and support to protect survivors. The long-term US investment in disaster risk reduction activities in Nepal helped to streamline the US efforts in this area. The Government of the United States of America provided approximately US\$ 130 million for relief and recovery after the earthquake in Nepal. In course of the rescue operations conducted by the US Marines on 12 May 2015, six U.S. Marines, two Nepalese Army soldiers, and five Nepali civilians lost their lives when their UH-1Y Huey helicopter crashed in the earthquake stricken areas of Dolakha district.

With the objective of taking stock of the post-earthquake situation and to discuss the ongoing response of USAID's longer-term recovery plans, Assistant Secretary

of State for South and Central Asian Affairs of the US, Ms. Nisha Desai Biswal traveled to Nepal in May 2015. The US pledged USD 130 million as support for Nepal's reconstruction.

The passage of 'Trade Facilitation and Trade Enforcement Act, 2015' (passed by the US Senate on 11 February 2016 and signed by the President on 24 February 2016) which includes special Trade Preferences for Nepal with duty-free tariff benefits for certain items including textiles was a significant step of the US Government to give much needed boost to Nepalese export to the US. This trade preference would help Nepalese economy to grow which had been facing a downward trend for sometime following the devastating earthquakes and the blockage at the Nepal-India border points. US Senator, Hon'ble Dianne Feinstein had introduced the bill on Nepal Trade Preferences Act in the U.S. Senate. The Act includes special Trade Preferences for Nepal with duty-free tariff benefits for certain items including textiles. It also authorises a trade capacity building programme to assist Nepal implement the World Trade Organisation's Trade Facilitation Agreement.

Following Nepal's inclusion in the MCC compact cooperation program in December 2014, an Initial Engagement TA Grant Agreement (called 609g) was signed between GoN and MCC on 24 May 2015 that paved the way for setting up an institutional mechanism in Nepal to identify, select, design and develop the projects in those two sectors in two years' time (by April 2017). Accordingly, a National Coordinator was appointed by the GoN (Cabinet) on 9 April 2015 for two years to lead the team of eight experts for fully developing the projects that will be implemented in five years after the Compact would be signed between the two governments (Nepal and USA) sometime around late 2017. In the same connection, the US Government's MCC Regional Deputy Vice President for Compact Operations, Ms Fatema Sumar visited Nepal from 28 February to 2 March 2016 with the view to exchange views on the possible areas of cooperation. During her visit, Ms. Sumar held meetings with Rt. Hon'ble Prime Minister, Mr. K P Sharma Oli, Hon'ble Deputy Prime Minister and Minister for Physical Infrastructure and Transport, Mr. Bijay Kumar Gachhadar and Hon'ble Finance Minister, Mr. Bishnu Prasad Paudel.

Several high level visits from Nepal to the United States of America also helped contribute to further strengthen bilateral relations. Hon'ble Deputy Prime Minister and Minister for Federal Affairs and Local Development, Mr. Prakash Man Singh led the Nepalese delegation to the 70th Session of the United Nations General

Assembly (UNGA) as well as the Summit for the Adoption of the Post-2015 development Agenda held in New York on 25-27 September 2015. Hon'ble Mr. Mahendra Bahadur Pandey, Minister for Foreign Affairs also visited New York and Washington D.C in September/October 2015 in connection with his participation in the 70th Session of UNGA.

Multilateral Engagements

Our engagements with the United Nations and other multilateral institutions and processes remained inspired by the firm belief that challenges of global scale could only be addressed through greater and more effective multilateral partnership. Strong faith in multilateralism with the United Nations and other international organisations as the pivot of global affairs guided our vision and activities in multilateral diplomacy. Being an active and responsible member of international community, Nepal fully engaged in all the relevant activities and processes of the United Nations and other international agencies in the year 2072 B.S.

United Nations and other International Organisations

Mr. Prakash Man Singh, the Hon'ble Deputy Prime Minister and Minister for Federal Affairs led the Nepalese delegation to the 70th plenary session of the United Nations General Assembly. Delivering his statement on 1 October 2015, the Deputy Prime Minister reiterated Nepal's full commitment to the principles and purposes of the UN Charter. While sharing his belief that the United Nations at its 70 remains a strong pillar of the international system as well as the institution of hope and trust, he stressed the need for a stronger United Nations capable of delivering result based on the wider respect for and observance of the principles of sovereignty, territorial integrity, political independence and non-interference as well as of preserving the universal values of peace, justice, equality, freedom and human dignity.

The Deputy Prime Minister informed the world leaders about the historic political transformation of Nepal that culminated in the promulgation of new constitution on 20 September 2015 after about eight years of rigorous democratic exercise conducted in an inclusive, transparent and participatory manner. He added that the constitution exemplified the victory of peace and non-violence as inspired by the teachings of the Lord Buddha and reflected the best of democratic principles, norms and values. He further said, the "constitution opens up new avenues of

empowerment, progress and wellbeing for all disadvantaged groups including women, Tharus, Madhesis, indigenous people, Muslims and Dalits with a resolve to create an egalitarian society by ending all discriminations".

Mr. Prakash Man Singh, Deputy Prime Minister and Minister for Federal Affairs and Local Development of the Government of Nepal and the delegation attended Summit for the adoption of the Post-2015 Development Agenda in New York from 25-27 September 25-27. The Summit adopted the 2030 Agenda for Sustainable Development that consists of 17 goals and 169 targets to be attained by the year 2030. The delegation of Nepal attended the opening session, its thematic interactive dialogues and the closing session of the Summit. Highlighting the inherent nexus between democracy and development, the Deputy Prime Minister in the Summit stated that people-centric development and governance system helped promote a sense of ownership. He also stated that when the aspirations of the poorest and the most vulnerable people were addressed, the ambition to leave no one behind would be truly realised.

On 26th September the Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey participated in an Interactive Dialogue on the theme "Delivering on a Revitalised Global Partnership" organised as part of the Summit for the adoption of the Post2015 Development Agenda. While participating in the Dialogue, Minister Pandey said that the 2030 Agenda for Sustainable Development was based on the vision of revitalised global partnership, for which relentless efforts should be undertaken to revitalise all available partnerships and use them efficiently and innovatively to ensure that "no one is left behind".

Mr. Prakash Man Singh addressed the High-Level Roundtable on South-South Cooperation on 26th September which was jointly organised on the sidelines of the UNGA by the People's Republic of China and the United Nations. Delivering his remarks at the High-level Roundtable, the Deputy Prime Minister shared his confidence that promoting the spirit of South-South Cooperation and strengthening the work of the global south would contribute to the effective implementation of the newly adopted 2030 Agenda. He further said that South-South Cooperation, which symbolises solidarity, partnership and cooperation among the developing and the least developed countries, needed to be advanced further to mobilise resources and explore appropriate policy and institutional framework to give impetus to the South-South Cooperation.

On 27th September Mr. Prakash Man Singh participated in the Global Leaders' Meeting entitled "Gender Equality and Women's Empowerment: A Commitment to Action" jointly organised on the sidelines of the UNGA by the People's Republic of China and the UN Women. The Meeting was co-chaired by H.E. Mr. Xi Jinping, President of the People's Republic of China and H.E. Ban Ki-moon, UN Secretary General. The Deputy Prime Minister highlighted on the substantive efforts of the government for the promotion of gender equality and empowerment of women. He also outlined policies, priorities and perspectives of the government for women to realise their roles in all spheres of national life through the implementation of various policy as well as legal, institutional and administrative measures.

On 28 September 2015, the Deputy Prime Minister addressed the Leaders' Summit on Peacekeeping which was co-hosted by the United Nations and the Heads of the State/ Government of the United States, Bangladesh, Ethiopia, Indonesia, Japan, Netherlands, Pakistan, Rwanda, and Uruguay. Addressing the Summit, the Hon'ble Deputy Prime Minister reiterated Nepal's unwavering and principled commitment to the principles and purposes of the United Nations Charter which, he further said, was firmly embedded in the constitution of Nepal, promulgated on 20 September 2015. He further reiterated Nepal's longstanding commitment to the UN peacekeeping operations. While referring to Nepal's commitment to the protection of civilians which is an integral part to all UN peacekeeping mandates, the Deputy Prime Minister stated that Nepal had adopted zero tolerance policy to sexual exploitation and abuse. He also mentioned the crucial role of female peacekeepers in the protection of civilians, and assured to increase their deployment.

The Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey participated in the "High-level Forum of Land-locked Developing Countries" (LLDCs) on 28 September 2015. The Forum was organised by the President of the Republic of Zambia as Chair of the group of LLDCs in which the Heads of State/Governments and other leaders of the LLDCs were represented. The Minister emphasised on the timely, effective and full implementation of the Vienna Programme of Action (VPoA), particularly the connectivity for the global market access, structural transformation, energy infrastructure, regional integration, etc. and stressed on the need for more infrastructural links for the LLDCs to ensure, without any hindrance of any kind, the integration process with the vibrant economic growth of the neighbouring countries and beyond.

Hon'ble Mr. Mahendra Bahadur Pandey participated in the Annual Ministerial Meeting of the Group of LDCs which was organised on the sidelines of the UNGA on 1st October. In his statement, Mr. Pandey said that the LDCs continued to face multiple problems such as poverty, unemployment, poor infrastructure, scarcity of resources, etc. He emphasised that the Istanbul Programme of Action, which aims at halving the current LDCs by 2022, should be implemented in its letter and spirit. He further said that the marginalisation of LDCs in the global trading system hindered their capacity to utilise the trade-induced growth for the socioeconomic development. He also said that the recent adoption of the 2030 Agenda for Sustainable Development had generated optimism for a better future across the world. He stressed the need of embracing everyone and implementing it in its entirety for the goals to be truly transformative.

The Foreign Minister, Mr. Pandey also participated in the 6th Ministerial Breakfast of the Group of Friends of Mediation co-hosted by the Ministers of Foreign Affairs of Turkey and Finland on 1 October 2015. In his brief intervention, he mentioned that mediation as an effective tool for the peaceful settlement of disputes as envisioned in the charter of the United Nations. The Minister also stated that regional and sub-regional organisations can play prominent role in settlement of disputes with their geographic, cultural and historical proximity adding in-depth knowledge and information about local conflict situations. He also underlined the importance of revitalised partnership as well as on the best practices and lessons learned to resolve conflict. He mentioned that the Group can count on Nepal for any kind of support.

On 24th September the Ministers for Foreign Affairs of the Member States of the Group of 77 and China met at the 39th annual meeting held at the UN Headquarters (UNHQ). The delegation of Nepal to the United Nations attended the meeting and delivered a statement. Nepal highlighted on the role and importance of the Group at the UN, and reaffirmed its voice on the principles of unity and solidarity to promoting and safeguarding collective interests of the Group at the multilateral forums. Furthermore, Nepal also focused on the solidarity and unity of the Group for constructive engagement on critical matters of common concern despite the diversities within the group. The delegation of Nepal further highlighted on the Group's problems and challenges and called upon the international community, in particular the development partners and other stakeholders to redouble their efforts in supporting the initiatives of the members of the developing world.

Nepal is concerned about the very existence of nuclear and other weapons of mass destruction and their potential use or threat of use. As a non-nuclear weapons state, Nepal has been playing vital role in different issues in the field of disarmament, by seeking true progress and enhanced human security and by advocating more effective, transparent, and inclusive work in multilateral forum. In this process, Nepal participated in the substantive session of the United Nations Disarmament Commission held at the United Nations Headquarter from 6-24 April 2015. In a statement, Nepal reiterated its support to a time-bound, general and complete disarmament of all weapons of mass destruction, including the nuclear weapons, and expressed its concern about the increase in the production, transfer and trading of small arms and light weapons and other conventional weapons. Nepal also participated in the 2015 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) held at the UNHQ in New York from 27 April-22 May 2015 and the 'Vienna Conference on Humanitarian Impact of Nuclear Weapons' held in Vienna on 8-9 December 2014. Nepal also participated in the Second Open-ended Meeting of Governmental Experts on the Implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects held from 1 to 5 June 2015 at the UNHQ.

As the host of the United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific in Kathmandu, Nepal introduced a draft resolution under agenda item 98 (d) entitled "United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific" contained in document A/C.1/70/L.53 on 28 October 2015. The resolution was adopted without a vote.

Financing for Development

A five-member Nepalese delegation led by Dr. Swarnim Wagle, Member of National Planning Commission participated in the "Third International Conference on Financing for Development" held in Addis Ababa, Ethiopia on 13-16 July 2015. In his statement, Dr. Wagle shared with international community Nepal's aspiration to become a vibrant middle-income nation by the year 2030 by pursuing a higher trajectory of economic growth within the balanced three-pillar framework of the SDGs. He also stressed the need for integrated support in favour of landlocked LDCs like Nepal to couple preferential access to world markets with the building of supply-side competencies in order to ease their entry into regional and global value

chains. He also urged international community to explore innovative means of financing for developmental activities of the LDCs.

Elections

Nepal was elected as the member of the Economic and Social Council (ECOSOC) for the period of 2013 to 2015. It also served as a member of Peace Building Commission (PBC) in 2015. Nepal is a member of UNDP/UNFPA/UNOPS Executive Board and UNICEF Executive Board for the term 2014-2016 and 2016-2018 respectively. Nepal was elected as the Vice-President of UNICEF Executive Board for the year 2016 while it served in the same capacity in UNDP/UNFPA/UNOPS Executive Board in 2015. H.E. Durga Prasad Bhattarai, PR/Ambassador of Nepal to the United Nations in New York was elected as the chairman of the Administrative and Budgetary Committee (Fifth Committee) of the United Nations General Assembly in 2015. For the first time since its membership of UNESCO in 1953, Nepal has assumed Chairmanship of the regional group of the Asia and Pacific Countries (ASPAC) for the year 2016 in its Headquarters in Paris. H.E. Mrs. Ambika Devi Luintel, Ambassador/Permanent Delegate of Nepal to UNESCO is serving as the Chairmanship of ASPAC Group.

High Level Political Forum

The Rio+20 Conference envisaged the concept of the High Level Political Forum (HLPF) to mobilise collective political will of the membership and the ECOSOC has been an apex body of the UN for the socio-economic capital mobilisation.

The High-level Political Forum for Sustainable Development closed its eight-day annual session on 8 July 2015 with the adoption of a declaration that committed ministers from around the world to establish a “strong, universal, ambitious, inclusive and people-centred” post-2015 development agenda that completed the unfinished business of the Millennium Development Goals and responded to new challenges.

At the annual session of the Forum, Nepal underlined that poverty and hunger were serious impediments to economic and social progress, exacerbated by the impacts of climate change. Nepal stressed that it was time to address the issues of least developed countries for achieving their graduation. He further stressed that landlocked countries were the most vulnerable segment of the international

community: they had inadequate trade infrastructure and limited access to international trade.

Trade being an engine of growth and development, Nepal reaffirmed the need of enhanced cooperation for a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that would provide robust trade-related technical assistance and capacity building to remove LDCs’ supply-side constraints and promote their trade-related infrastructure and productive capacity.

Nepal underlined on enhanced and strengthened ODA and to be allocated between sectors in a balanced manner. Nepal further underscored that dedicated and targeted support and cooperation with an emphasis on the global partnership through mutual accountability for development effectiveness was vital for desired results on the ground. Nepal appreciated partners meeting their commitments and encouraged others to do more.

Nepal also emphasised that the clean affordable, reliable, renewable and sustainable energy is a major game changer of development, and strongly supported the Sustainable Energy for all (SEA4ALL) initiative of the SecretaryGeneral to overcome the constraints of LDCs.

Nepal recognised the complementary role of the South-South and triangular cooperation as agreed in IPOA and reaffirmed that it should be the guiding principles in any global development framework with well-targeted support measures for equity, inclusiveness and sustainability.

Peace Building Commission (PBC)

The year 2072 B.S. remained important for PBC, particularly in view of the review of the peace-building architecture to improve the peace-building capacity of the United Nations system, inter alia, by strengthening the performance and impact of peace-building architecture. As a member of the Peace Building Commission’s Organisational Committee in 2015 and as one of the top troop contributing countries to UN peacekeeping, and with its own experiences in post-conflict management at home, Nepal stated that the review of the peace-building architecture should go hand in hand with the review of the UN peace operations and emphasised that all reform measures should be implemented in a systemwide, coordinated, complementary and holistic manner.

UNICEF Executive Board

Nepal appreciated the initiative, support, understanding and assistance of UNICEF, especially in the aftermath of the devastating earthquakes of 25th April and 12th May last year in Nepal. UNICEF immediately helped with emergency supplies of food and medicines, WASH, Education, and Nutrition in the most affected districts.

Programmes of the International Organisations

A Nepalese delegation led by the Deputy Prime Minister and Minister for Home Affairs, Mr. Bam Dev Gautam participated in the 13th United Nations Congress on Crime Prevention and Criminal Justice held in Doha, Qatar on 12-19 April 2015. Mr. Narahari Acharya, Minister for Law, Justice, Constituent Assembly and Parliamentary Affairs, led a delegation to attend the 54th Annual Session of Asian African Legal Consultative Organisation (AALCO) held in Beijing, China on 13-17 April 2015. Nepal, under the leadership of Minendra Rijal, Minister for Information and Communication took part in the Global Conference on Cyberspace-2015 held in the Hague, the Netherlands on 16-17 April 2015. The Nepalese delegation led by the Hon'ble Minister for Industry, Mr. Som Prasad Pandey participated in the 6th edition of the UNIDO's Least Developed Countries (LDC) Ministerial Conference held in Austria, Vienna from 26-27 November 2015.

The Minister for Education, Mr. Girirajmani Pokharel attended the 38th session of the General Conference of the United Nations Educational, Scientific and Cultural Organisations (UNESCO) held in Paris, France from 3-18 November 2015.

Nepal also actively participated in policy review and evaluation of functions of UNICEF in the annual session of the UNICEF Executive Board held in New York on 16-18 June 2015. It contributed to the assessment of the UN-Women evaluation function and other activities of the organisation in the annual session of the UN Women Executive Board in New York on 30 June -2 July 2015.

Human Rights

Nepal is a party to 24 international human rights conventions and protocols including seven out of nine core international Human Rights instruments. It considers human rights as the pillar of democracy, peace and development. It believes in the universality, indivisibility, non-selectivity, interdependent

character, and inter-relatedness of all human rights. It is also constructively engaged with all UN human rights mechanisms and the international community in the protection and promotion of human rights. It has been fulfilling its international obligations by regularly submitting national reports to international human rights institution as mandated by different conventions and protocols.

Nepal had its second Universal Periodic Review (UPR) in the 23rd session of the Human Rights Council in Geneva from 4-6 November 2015. Leading a Nepalese delegation to the Human Rights Council, the Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa presented a report on Nepal's efforts towards fulfilling its international obligations and commitments on the issues of human rights. The Deputy Prime Minister also expressed Nepal's commitment to sustain the spirit generated by the new constitution in advancing the cause of human rights and dignity. The Government of Nepal remains committed to the implementation of the recommendations as well as the voluntary pledges and commitments made during the UPR.

Climate Change

The Hon'ble Minister for Population and Environment, Mr. Bishwendra Paswan led the Nepalese delegation to the 21st conference of the parties to the United Nations Framework Convention on Climate Change (COP 21) held in Paris from 30 November - 11 December 2015. The Minister highlighted the vulnerabilities faced by the LDCs because of climate change, and requested international community to provide assistance for the mitigation and adaptation. Nepal also participated at the Sherpa Senior Officers' Meeting of Climate Vulnerable Forum (CVF) held at Manila, the Philippines on 9-11 November 2015.

Asian-African Conference

Nepal participated in the commemoration of the 60th Anniversary of the Asian African Conference 1955 and 10th Anniversary of the New Asian-African Strategic Partnership (NAASP) held in Indonesia on 19-24 April 2015 under the leadership of the Rt. Hon'ble Prime Minister Sushil Koirala. The Rt. Hon'ble Prime Minister was accompanied by Mr. Mahendra Bahadur Pandey, Hon'ble Minister for Foreign Affairs, Mr. Shanker Das Bairagi, Acting Secretary of the Ministry of Foreign Affairs and other high-ranking officials of the Government of Nepal. While addressing the Asian- African Summit, Rt. Hon'ble Prime Minister, Mr. Koirala

stated that the Bandung Principles, inspired by the teachings of Gautam Buddha, the son of Nepal, provide a framework for harmonious conduct of interstate relations. He also urged for strengthening unity, solidarity, and collaborative partnership for eradicating poverty and hunger, and ensuring dignity of people. The Hon'ble Minister for Foreign Affairs, Mr. Mahendra Bahadur Pandey, in his address to the Asian-African Ministerial Meeting on 20 April 2015, stated that reinvigoration of political understanding and solidarity is critical to ensure sustainable peace, stability, development and prosperities. He also emphasised the need for further consolidating collective strength for more meaningful and fruitful cooperation and collaboration among Asian-African countries. The conference adopted three declarations, namely “Bandung Message 2015: Strengthening South-South Cooperation to Promote World Peace and Prosperity”, “Reinvigorating the New Asian-African Strategic Partnership” and “Declaration on Palestine”.

World Trade Organisations (WTO)

A delegation led by the Minister for Commerce and Supplies, Mr. Ganeshman Pun participated in the 10th Ministerial Conference of the World Trade Organisation (WTO) held in Nairobi, Kenya from 15-18 December 2015. Addressing Conference, Minister Pun highlighted the need to undertake facilitative measures to help least developed countries integrate in the multilateral trading system represented by the WTO. He also underscored that the land locked countries should be enabled to enjoy the freedom of transit to and from the sea and under any circumstances such freedom should not be undermined.

Regional Diplomacy

Regional diplomacy formed an important part of Nepal's foreign policy priority in the year 2072 B.S. and, concomitantly, regional engagements became a core component of our multilateral diplomacy. Nepal has been playing an active role in and making significant contribution to advancing the regional cooperation process further. Notable progress was made in the past one year in its engagements with the key regional intergovernmental bodies such as SAARC and BIMSTEC. Nepal's entry into Asian Cooperation Dialogue as its member and Shanghai Cooperation Organisation as its dialogue partner this year enlarged the scope of our regional diplomacy.

South Asian Association for Regional Cooperation (SAARC)

As a founding member and the current Chair of SAARC, Nepal actively promoted the agenda of deeper regional cooperation for peace and prosperity in line with the principles and purposes of SAARC Charter.

The review period remained important for Nepal in terms of its role in the SAARC process. Nepal took the chairmanship of SAARC since the 18th SAARC Summit held in Kathmandu on 26-27 November 2014. Nepal convened the 37th Session of the Council of Ministers and its preceding Meetings (52nd Session of Programming Committee and 42nd Session of Standing Committee) in Pokhara on 14-17 March 2016. These meetings are also known as Inter-Summit Session.



The Inter-Summit meeting reviewed the implementation of the decisions taken at the 18th SAARC Summit. The 18th SAARC Summit was successfully convened in Kathmandu with the theme "Deeper Integration for Peace and Prosperity". The Summit focused on enhancing connectivity between the Member States for easier transit-transport across the region. It was concluded with the endorsement of the 36-point Kathmandu Declaration.

The Kathmandu Declaration essentially emphasised on prioritised partnership as well as on result-oriented and time-bound regional and sub-regional projects in the agreed areas of regional cooperation. During the Summit, the leaders of the SAARC Member States reiterated their commitment to reinvigorate regional cooperation and revitalise SAARC as an effective vehicle for fulfilling the developmental aspirations of the people living in South Asia. They also expressed their determination on deepening regional integration for peace and prosperity by promoting mutual trust, amity and understanding.

Three important agreements were expected to be signed during the last summit. However, only the SAARC Framework Agreement for Energy Cooperation (Electricity) could be signed. The other two agreements, SAARC Motor Vehicles Agreement for the Regulations of Passenger and Cargo Vehicular Traffic and SAARC Agreement on Railways remain to be signed in near future. It was decided to hold the SAARC Summit in every two years or earlier. It also directed the Standing Committee to hold its meeting at least once a year and the Programming Committee to meet at least twice a year.

The agenda of cooperation in the field of Migration, Cooperatives and Blue Economy featured for the first time in the SAARC agenda in the 18th Summit Declaration. The Prime Minister of Nepal proposed to establish a mechanism to work on a common regional position on migrant workers for their safety, security and dignity as a sizeable number of youth from the SAARC countries are going abroad for work.

Programming Committee

During the review period, four Sessions of the Programming Committee were held, one in Islamabad and the rest three in Nepal. On 8-9 July 2015 the 50th Session Programming Committee held in Islamabad approved the revision of salary for

Secretary General, Directors and GSS-I with effect from 1 January 2015 in accordance with principle parity with the highest paid SAARC Mission in Nepal.

The Committee after extensive deliberations decided to defer the decision on the location of the SAARC Environment and Disaster Management Centre (SEDMC) to its Special Session through video conference. The Special Session held on 14-15 December 2015 decided to refer the matter on the location of the SEDMC to the consideration of the Standing Committee.



The 51st Session of the Committee held in Kathmandu on 21-22 December 2015 approved the programmes of the Regional Centres as well as the annual budget and programmes/Calendar of Activities of the SAARC Secretariat. At the 52nd Session of the Programming Committee held in Pokhara on 14-15 March 2016 the matters relating to the SAARC Specialised Bodies, namely South Asian University (SAU), SAARC Development Fund (SDF), South Asian Regional Standards Organisation (SARSO), and SAARC Arbitration Council (SARCO) were considered. At this Session, it was decided to rename the existing SAARC mechanism of HTRN/SAVE as the 'Working Group on Information and Media' and the budget for the SAARC Energy Centre for the year 2016 was also approved.

Standing Committee

During this period, the 42nd Session of the Standing Committee was held on 16 March 2016 in Pokhara. The Committee reviewed the implementation of the past decisions and urged the member states to implement all decisions in good faith, and to take necessary steps to ratify all the pending instruments/agreements. It also urged for the early finalisation of revised draft SAARC Agreement on Promotion and Protection of Investments for possible signing during the 19th SAARC Summit.



The Standing Committee recommended for the proposed amendment of the Article 5 (coverage of the projects/programs-involving any one or more than one Member States) & Article 7.2 (approval of fund by the SDF Board) of the SDF Charter. The Committee also recommended for the expansion of the mandate of the Technical Committee on Women, Youth and Children to include matters related to social protection for the elderly, differently-abled persons, unemployed persons, and persons working at hazardous sites.

The Committee further recommended for initiating a process to assist Member States in their efforts to implement the Sustainable Development Goals (SDGs). It was also recommended that efforts will be made to align the SAARC programs and activities in line with the Agenda-2030. The Committee decided to renew the validity of SAARC Apex/Recognised Bodies. It also agreed to grant the status of SAARC Recognised Body to the Self Employed Women Association (SEWA). Nepal informed the Committee that a draft note on Community Forestry Management Programme in Nepal has already been circulated to the Member States with a view of launching the programme at the regional level. It also informed that the detailed programme proposal will be provided through the SAARC Secretariat.

Council of Ministers

The 37th Session of the SAARC Council of Ministers was held in Pokhara on 17 March 2016. The Rt. Hon'ble Prime Minister, Mr. K.P. Sharma Oli inaugurated the Session and delivered statement firmly committing Nepal to the SAARC Charter and objectives. SAARC Foreign/External Affairs Ministers paid a collective call on Rt. Hon'ble Prime Minister and shared views on regional cooperation.



The Foreign/External Affairs Ministers had useful discussions on a range of issues breakfast meeting. The discussions centered on making SAARC more effective.

During this Session, the Council reviewed the status of progress in the implementation of decisions taken at the 18th SAARC Summit (Kathmandu, 26-27 November 2014) and the 36th Session of the Council of Ministers (Kathmandu, 25 November 2014).

The Council discussed a number of vital issues of regional cooperation and committed to deepening cooperation by launching focused and people-centric projects as well as programmes in the SAARC region.

The Council decided to streamline the SAARC institutions and mechanisms and make them more effective, efficient and result-oriented. The Council adopted the Report of the 42nd Session of the Standing Committee, which contains a number of decisions and recommendations relating to accelerating cooperation in trade, investment, economy, finance, energy, connectivity, poverty alleviation, health, education, among others.

The Council considered various reports and records of the Ministerial Meetings of Finance, Health, and Poverty Alleviation held since April 2015. The reports of the Ministerial meetings have stressed on the effective and expeditious implementation of the existing projects/programs and also brought new vision in the SAARC process.

The Council also discussed various matters relating to the SAARC Development Fund (SDF) and endorsed the amendment to the SDF Charter by reducing the requirement of the provisions from three-member criteria to one-member criteria with direct/indirect benefit to more than one member for launching projects under the Economic window of the SDF.

The Council agreed the proposal of the Islamic Republic of Pakistan to hold 38th Session of the Council of Ministers on 8 November 2016, and the 19th SAARC Summit on 9-10 November 2016 in Pakistan.

The Council recommended locating SAARC Disaster Management Centre in New Delhi, India and the merger of the Environment Center with the existing SAARC Energy Centre located in Islamabad, Pakistan.

The representatives of SAARC Chambers of Commerce and Industry made a presentation before the Ministers on various ways of promoting economic cooperation in South Asia.

In sum, Session of the Council of Ministers has been successful and productive. Sectoral Ministerial Meetings

The 5th Meeting of SAARC Health Ministers held in New Delhi on 8 April 2015 adopted the "Delhi Declaration on Public Health Challenges". The Ministers emphasised on achieving universal health coverage, improving health regulatory systems, preparedness for emerging and reemerging diseases along with the challenges posed by antimicrobial resistance and non-communicable diseases. During the meeting, the Minister of Population and Health of Nepal affirmed the Government of Nepal's contribution of USD 50,000 for the upgradation of SAARC Supra-national Reference Laboratory located in Kathmandu.

During the 4th Meeting of SAARC Ministers on Poverty Alleviation preceded by 6th Meeting of SAARC Secretaries on Poverty Alleviation held in Thimphu on 29 July 2015 the Ministers from the Member States briefed on their respective governments' programmes and schemes currently underway to address the challenges of poverty eradication. The meeting reaffirmed its commitments to work collectively towards eradication of poverty from South Asian region.

Nepal hosted the 7th Meeting of SAARC Finance Ministers and preceding meetings in Kathmandu on 19-20 August 2015. The Meeting deliberated on establishing currency swap arrangement, trading in local currencies of the Member States and matters relating to SAARC Development Fund (SDF) such as strengthening the Social Window of SDF, operationalisation of its Economic Window and Infrastructure Window for effective implementation of regional and sub-regional projects including expeditious development of projects under SDF addressing the livelihood issues of the peoples of the region.

The 3rd Meeting of SAARC Agriculture Ministers held in Dhaka, Bangladesh on 07 April 2016 adopted the Dhaka Statement on Agriculture and Rural Development. The Dhaka Statement focuses on the operationalisation of SAARC Food Bank, SAARC Seed Bank, strengthening research-extension system, trans-boundary animal diseases, addressing the issues of agriculture trade barriers and exchange of germ-plasms. In the meeting, The Minister of Agriculture Development

highlighted the importance of SAARC platform for addressing the common issues of SAARC agriculture sector and also underlined the need for strengthening existing SAARC mechanisms for implementation of past commitments and recommendations. He also apprised of the policy reform initiatives undertaken by the Government of Nepal in the agriculture sector such as Agriculture Development Strategy, Twenty- Seven Point Commitments of the Ministry of Agricultural Development for the overall development of the sector.

Informal Ministerial Meetings

Informal Session of the SAARC Council of Ministers was held in New York on 30 September 2015, on the sidelines of the 70th Session of the UNGA. During the session, on Nepal's proposal to devise regional strategies and collaborative approaches for common regional positions on issues of mutual interests and also to speak with one voice in international forums, the Meeting directed the Secretariat to request all Member States for issuing appropriate instructions/directives to their respective Permanent Representatives both in New York and Geneva to this effect.

The 9th Informal Meeting of the SAARC Finance Ministers held on the sidelines of the Annual Meeting of Asian Development Bank in Baku, Azerbaijan on 3 May 2015 made recommendations for deepening economic cooperation; integrating transport and air services in the region; developing viable strategies for agriculture and irrigation; trade facilitation measures and connectivity; developing regional energy grid, among others.

Other SAARC Meetings

Besides, SAARC ministerial meetings, several technical committees, working groups, expert groups as well as the governing boards of the SAARC Specialised Bodies were held in the review period, in which Nepal actively engaged in all those meetings for promoting regional cooperation in the respective areas.

The 4th Meeting of Sectoral Technical Committee on Jute, Textiles and Leather held in Noida, India on 23-24 June 2015 held deliberations on various Draft SAARC Standards namely: Draft SAARC Standards on "Hessian", "Textiles – Cotton Drill

– Specification, Draft SAARC Standard on 'Jute Twine', Draft SAARC Standard on 'Jute Yarn', of Draft SAARC Standard on 'Jute Carpets Backing Fabric', Draft SAARC Standard 'Towels and Toweling Fabric'.

The 7th Meeting of the SAARC Technical Committee on Women, Youth and Children held in Islamabad, Pakistan on 28-29 July 2015 finalised and placed the SAARC Youth Charter for signature by the Member States. The Meeting also deliberated on the possibility of expanding the scope of the SAARC Regional Charter for the Rights of Widows to vulnerable women.

The 5th Meeting of the Working Group on Biotechnology held in Islamabad on 28-29 April 2015 identified priority areas of cooperation in this sector.

The 4th Meeting of the Working Group on Telecommunications, Information and Communication Technology was held in New Delhi, India on 26-27 March 2015. It reviewed the progress of the implementation of the revised SAARC Plan of Action on Telecommunications. The meeting decided that the resources (data bank) after the post-closure of the two Regional Centres--SAARC Documentation Centre and SAARC Information Centre-- would be transferred to the SAARC Secretariat.

The 5th Meeting of the SAARC Working Group on Tourism in New Delhi, India on 25-26 November 2015 decided to appoint a "SAARC Cell" and the Nodal Officer (s) in the respective Ministries/Agencies of the Member States. In the Meeting, the Nepalese delegation presented an overview of major tourist destinations in Nepal. This included 10 UNESCO world heritage sites, adventure activities and major tourism markets. Tourism Vision 2020, new initiatives taken for tourism promotion, potential areas of tourism development within SAARC and the need for development of Buddhist Circuit were discussed. The impact of 25th April earthquakes on tourism was also shared.

The 3rd Meeting of the Expert Group on Renewable Energy held in Islamabad on 26-27 November 2015 approved its Work-Plan for the year 2016.

During the 7th Meeting of the Governing Board of the South Asian University (SAU) held in Paro, Bhutan on 9 March 2015, the Board directed the University to establish linkages/partnerships with at least one university/institution in each of the Member States of SAARC. During the 8th Meeting of the Governing Board held in Maldives on 9 February 2016, the Board recommended to make efforts to hold

its first convocation in accordance with the Rules. The Governing Board decided to nominate its new Chairperson from Nepal for a single term of one year and to hold its 9th Meeting in Kathmandu in February 2017.

The 21st meeting of the SAARC Development Fund (SDF) Board of Directors held in Kathmandu on 23-26 April 2015 instructed the SDF's CEO to expedite the operationalisation of the Economic and Infrastructure Window. Its 22nd Meeting held in Kathmandu on 18 August 2015 approved the target activities of the Fund and scope of work including cost to be involved in different phases. The 23rd Meeting held in Thimphu, Bhutan on 29-30 December 2015, wherein the Board gave the final approval and in-principle approval to some proposed projects. It also approved both the operational and capital budget of SDF Secretariat for the year 2016.

The Governing Board of SAARC Cultural Centre held its 7th Meeting in Colombo, Sri Lanka on 22-23 September 2015. As the current Chair of the Governing Board of SAARC Cultural Centre, Nepal stressed on the importance of culture in supporting people-to-people relations among the Member States. The Board approved the indicative programmes, the calendar of activities and the institutional cost budget and capital cost budget of the Centre for the year 2016.

The 9th Meeting of the Governing Board of SAARC Agriculture Centre held in Dhaka, Bangladesh on 18-20 October 2015 approved the program and budget for the year 2016. It also recommended for holding the future Governing Board Meeting in different SAARC Countries on a rotational basis.

The 10th Meeting of Governing Board of SAARC Energy Centre was held in Islamabad, Pakistan on 16-17 November 2015. Nepal assumed the Chairmanship of the Board. The Meeting under Nepal's chairmanship reviewed the progress on program activities for the year 2015 and recommended for ensuring timely completion. The meeting also recommended various activities/programs for the year 2016 for approval.

The 25th Meeting of the Governing Board of SAARC Tuberculosis and HIV/AIDS Centre (STAC) held in Kathmandu on 18-19 December 2015 approved the programmes/ activities of the Centre and recommended the Programming Committee for its approval regarding recruitment of Deputy Director and Technical Officer-HIV/AIDS (Professional Staff).

During the 3rd SAARC Cabinet Secretaries Meeting held in Islamabad, Pakistan on 16-17 April 2015, progress on implementation of the decisions of the 1st and 2nd SAARC Cabinet Secretaries Meetings was reviewed. The success stories and initiatives undertaken were also shared. The Chief Secretary of the Government of Nepal, Mr. Leela Mani Paudyal, made presentation on i) Female Community Health Volunteer Program (FCHVP); ii) river cleaning campaign; iii) two shifts service delivery; and iv) performance-based incentives system. Nepal reiterated its offer of hosting the 4th SAARC Cabinet Secretaries Meeting and a Workshop on Performance-based Incentive System in Nepal scheduled to be held in Kathmandu on 9-10 June 2016.

At the 4th Meeting of SAARC Competent Authorities on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters held in New Delhi on 23-24 April 2015, country presentations were made on the existing tax structures in their respective Member States. The Meeting held discussions on facilitating effective implementation of the SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters (SAARC MLTA).

During the 3rd Meeting of Inter-Governmental Core Group on Agricultural Research -Extension-Farmers Linkages held in Colombo, Sri Lanka on 25-26 June 2015 the Member States presented their country reports on "innovative national agricultural research and development programmes of regional significance on food crops, livestock, fishery, and natural resources". The head of Nepalese delegation made a presentation on Nepal's agricultural research in the context of regional challenges and agenda. The Member States discussed on identifying prospective collaborative project/programme proposals on Agricultural Extension and Farmers Linkages for SDF funding/external support.

The 7th Meeting of Heads of SAARC Statistical Organisations (SAARCSTAT) took place in Colombo, Sri Lanka on 23-24 July 2015 urged all Member States to extend maximum support to the Web Portal so as to provide complete and updated data at all times. The delegation of Nepal briefed the Meeting about Nepal's publications. The Meeting noted with appreciation that an updated version of Leaflet "SAARC in Figures 2014" published by Nepal coincided with the 18th SAARC Summit held in Kathmandu on 26-27 November 2014.

At the 1st Meeting of SAARC-Gender Policy Advocacy Group (GPAG) held in Islamabad, Pakistan on 26-27 July 2015, it was agreed that SAARC Gender Info Base (SGIB) should be strengthened and continued with the already identified key priority areas as Violence against Women (VAW), especially trafficking, health issues, including HIV/AIDS and feminisation of poverty. It was recommended that the Member States should revisit the indicators of the key priority areas to make them comparable across the Member States and this should be part of GPAG Action Plan. The Meeting also identified thematic issues of common interest under Key Priorities for GPAG for the three years Action Plan (2015-2018) as i. Violence against Women (Domestic violence, Sexual harassment at the work place, Child Marriage) ii. Health issues (Institutional/safe deliveries, Health of adolescent girls, Vulnerability of Women to HIV/AIDS) iii. Economic Empowerment of Women and iv. Women in leadership and decision making.

The 8th Meeting of the SAARC Food Bank Board held in Maldives on 2-3 September 2015 deliberated on the formulation of Guidelines on Storage Methods, Practices and Quality Control Measures and developing SAARC Food Security Information System (SFSIS) in the SAARC Agriculture Centre's Website, among others.

The Meeting of SAARC Terrorist Offences Monitoring Desk (STOMD) & SAARC Drug Offences Monitoring Desk (SDOMD) held in Colombo, Sri Lanka on 10-11 September 2015 decided that Member States would furnish details of their Focal Points for STOMD and SDOMD to the SAARC Secretariat regularly.

Mr. Umesh Prasad Mainali, Chairman of the Public Service Commission (PSC) of Nepal attended, as the Special Guest, the Workshop on Challenges in the Examination Process for Recruitment of Civil Servants of SAARC Member States held in Dhaka, Bangladesh on 15-16 January 2016. Nepalese delegations made a comprehensive presentation on the functioning of the PSC in Nepal. In the 5th Meeting of the Chief of Public/Civil Service Commissions of SAARC Member States held in Thimphu, Bhutan on 28-30 March 2016, country presentation was made on the theme "Managing Performance for Public Sector Excellence and Sharing of Best Practices". Chairperson of the PSC of Nepal highlighted some reform initiatives taken by the Government of Nepal for performance management in public sector. The meeting mainly discussed the possibility of regional cooperation among Public Service Commissions of Member States.

The 2nd Meeting of the SAARC Energy Regulators held in Colombo, Sri Lanka 8-9 February 2016 updated the SAARC Plan of Action on Energy Regulators (Electricity). The meeting also agreed for an urgent formation of SAARC Council of Experts of Energy Regulators (Electricity).

Nepal hosted the SAARC Regional Dialogue on Promoting Youth Participation in the Implementation of the SDGs in Kathmandu from 23-25 March 2016. The meeting recommended that the SAARC Member States approve and implement the youth charter and its action plan, set a uniform upper age limit for youth across the region and facilitate student visas across the region to enable better access to education.

The 5th Meeting of SAARC Chief Veterinary Officers (CVOs) held in Kathmandu on 13-14 April 2016 endorsed the revised Terms of Reference (TOR) for the network, SAARC Animal Disease Information System (SADIS) and a roadmap for the operationalisation of the SAARC EpiNet Forum.

The labour migration was recognised as a common regional issue; included as one of the agenda of the 18th SAARC Summit held in Kathmandu on 26-27 November 2014; and featured in 36-point Kathmandu Declaration. A Concept Note and a draft SAARC Plan of Action for Cooperation on Matters Relating to Migration prepared by the Government of Nepal were circulated amongst Member States. The Consultative Workshop on SAARC Plan of Action for Cooperation on Matters Related to Migration organised by the Government of Nepal in Kathmandu on 3-4 May 2016 finalised the Plan of Action. The workshop made three main recommendations, namely: (i) to set up a SAARC Technical Committee on Labour Migration; (ii) to establish a SAARC Ministerial Forum dealing with labour migration; and (iii) to prepare by the Secretariat, in consultation with the Government of Nepal, a zero draft of 'SAARC Declaration on Labour Migration' for the consideration of Member States.

Special Meeting of Customs and Commerce Authorities on Verification Mechanism relating to Rules of Origin under SAPTA and SAFTA washeld in Islamabad, Pakistan, 2-3 July 2015.

Besides, some other important meetings held in the review period include:

- SAARC Regional Consultative Workshop to Identify Priorities of Action for Children in South Asia Living in Climate Change, Kathmandu, 7-9 September 2015;
- Conference on Advancing Women's Entrepreneurship in South Asia, in Kathmandu, 20-21 September 2015
- 4th Meeting of the Intergovernmental Expert group on Climate Change (IGEG. CC) in Kathmandu, 23-24 November 2015
- Lessons learnt Conference-Nepal Earthquake (LLC-NEQ) organised by SAARC Disaster Management Centre (SDMC) in Kathmandu, 14-16 December 2015.

It is encouraging to note that in spite of great havoc wrecked by the devastating earthquakes in April 2015, Nepal as the current chair of SAARC successfully organised the SAARC Inter-summit Session and other scheduled SAARC programmes this year. This is reflective of Nepal's full and firm commitment to advance the SAARC process.

In all these relevant SAARC meetings, Nepal continued to underline that SAARC programmes and activities must be result-oriented, demand-driven and people-centered and core economic sectors such as energy, connectivity, trade, investment, agriculture, tourism, among others should receive priority attention. Nepal further underlined that Member States should focus on the expeditious, timely and effective implementation of the commitments and past decisions for the success of the SAARC and the prosperity and wellbeing of the people of South Asia.

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

Nepal gives high importance to its association with BIMSTEC. It has been actively taking part in various programmes under BIMSTEC ever since it became member in 2004. Nepal assumed the chairmanship of BIMSTEC after the Third BIMSTEC Summit held in Myanmar on 4 March 2014. During the review period, Nepal's engagements with BIMSTEC have remained as follows:

At the 7th Meeting of the BIMSTEC Subgroup on Combating the Financing of the Terrorism (SGCFT) held in Thimphu, Bhutan on 27-28 May 2015, it was decided to update the list of Designated Individuals/Entities for the BIMSTEC SG-CFT Webpage on a regular basis. The Meeting agreed that human resources development and capacity building is an essential element for combating the financing of terrorism and Member States are requested to identify their training needs.

Similarly, 8th Meeting of the BIMSTEC Subgroup on Combating the Financing of the Terrorism held on 16-17 March 2016 reviewed the decisions of the Seventh Meeting discussed on the Memorandum of Understanding on Exchange of Financial Intelligence/Egmont Sponsorship, BIMSTEC SG-CFT Website, Information and Intelligence Sharing on AML/CFT, among others. In the Meeting, Nepal made a presentation on "Asset (Money) Laundering Prevention Act" elaborating the reported case relating to Terrorist Activities in Nepal.

The Third BIMSTEC Expert Group Meeting on the Establishment of BIMSTEC-Technology Transfer Facility (TTF) held in Colombo on 25-26 August 2015 was focused on finalising the draft text of the Memorandum of Association (MoA) on the Establishment of BIMSTEC Technology Transfer Facility. The revised draft text is under the consideration of the Ministry of Science and Technology for preparing Nepal's comments.

The 20th Meeting of the BIMSTEC Trade Negotiating Committee (TNC) held in KhonKhaen, Thailand from 7-9 September 2015 deliberated on Agreement on Trade-in-Goods. The Meeting of the Working Groups on Rules of Origin, on Trade-in-Services on Investment and Legal Experts were also held in parallel to the TNC Meeting.

The 6th Meeting of the BIMSTEC Sub- group on Legal and Law Enforcement Issues held on 17-18 December 2015 in New Delhi deliberated on the draft text of the BIMSTEC Convention on Transfer of Sentenced Persons.

The BIMSTEC Senior Officials Meeting- Retreat held in Dhaka on 23 February 2016 mainly focused its discussions on the future of BIMSTEC Free Trade Area, Vision for BIMSTEC, Cooperation with Regional and International Organisations, and Structure of BIMSTEC Working. The Same Meeting-Retreat decided to hold BIMSTEC SOM in Kathmandu on 26-28 April 2016. At the request of one member country, the Meeting has now been postponed and the new dates to hold this meeting have been proposed from 9-11 August 2016. The 17th Session of the BIMSTEC SOM is expected to decide the date of 4th BIMSTEC Summit.

The Ministry of Home Affairs of the Government of Nepal has already submitted the BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organised Crime and Illicit Drug Trafficking in the Legislature/Parliament of Nepal for ratification.

The Ambassador of Nepal to Bangladesh in Dhaka has been chairing the regular meetings of the BIMSTEC Working Group (BWG). A total of four BWGs (143rd in June 2015, 144th in September 2015, 145th in October 2015 and 146th in February 2016) have been held during this period with a view to coordinate the BIMSTEC activities.

Asia Cooperation Dialogue (ACD)

The year 2072 B.S. has been marked as the important year for Nepal as it has become the 34th Member of Asia Cooperation Dialogue (ACD), a forum of Asian countries which aims to build an Asian Community by incorporating all the Asian countries. As per the decision of the Government of Nepal to join the ACD and explore potentials through productive engagements with the ACD members, Nepal made a formal request for the purpose to the Secretary General of ACD in August 2015.

Considering Nepal's interest to be part of this important Forum, the 14th Ministerial Meeting of the Asia Cooperation Dialogue (ACD) held in Bangkok, Thailand on 9-10 March 2016 approved Nepal's membership. Hon'ble Deputy Prime Minister and Minister of Foreign Affairs, Mr. Kamal Thapa leading the Nepalese delegation

addressed the Ministerial Meeting and expressed sincere appreciation to all the ACD Member States for their support to Nepal's membership.

In the statement, Hon'ble Deputy Prime Minister and Minister for Foreign Affairs affirmed Nepal's readiness and commitment to actively engage in all the future activities of ACD. He also supported the proposed ACD Vision 2030 focusing on fostering regional economic integration and multidimensional connectivity; enhancing ACD Mechanisms – Review and Consolidation of Areas of Cooperation & Appropriate Arrangements for the ACD Secretariat; and engagement of the Private Sector and the Academics.

Shanghai Cooperation Organisation (SCO)

The Shanghai Cooperation Organisation is a permanent intergovernmental organisation founded on 15 June 2001 by the leaders of Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. At present, four countries, Afghanistan, Belarus, Iran and Mongolia have been granted Observer Status while Ufa Summit held in July 2015 has decided to admit India and Pakistan as full members. Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka and Turkey are Dialogue Partners of the SCO.

Nepal joined Shanghai Cooperation Organisation as a Dialogue Partner. At the Fifteenth Council of Heads of State Meeting held in Ufa, Russia on 9-10 July 2015, the SCO announced its decision to welcome Nepal as a Dialogue Partner.



On 22 March 2016, Nepal signed the Memorandum on granting Nepal the status of Dialogue Partner of the Shanghai Cooperation Organisation at SCO Secretariat in Beijing. Foreign Secretary of Nepal, Mr. Shanker Das Bairagi and SCO Secretary General, H.E. Dr. Rashid K. Alimov inked the Memorandum in a ceremony with the gracious presence of Rt. Hon'ble Prime Minister, Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, and Hon'ble Ministers of the Government of Nepal.

Addressing the event, Hon'ble Deputy Prime Minister and Minister for Foreign Affairs, Mr. Kamal Thapa pointed out that SCO with fast-growing and big economies of the world is endowed with abundant natural, cultural and human resources; and has great development potentials. He underlined the need for the SCO to focus on fulfilling collective aspirations of its people through socio-economic development and economic interaction. He expressed Nepal's commitment and readiness to implement specific projects in identified areas for the common benefit of the region. He reiterated Nepal's full commitments to the principles, values and objectives of the SCO as stipulated in its Charter.

The Memorandum has defined various areas of cooperation between the SCO and Nepal, especially promoting regional cooperation in the field of trade, investment, energy, telecommunications, agriculture, tourism and security among others. The

Memorandum forms as the basis for Nepal's future engagements and cooperation in the Organisation.

Engagement at Sub Regional Level

The Joint Working Groups (JWGs) on sub-regional co-operation between Nepal, Bangladesh, India and Bhutan (BBIN) on (a) Water Resources Management and Power/Hydropower and (b) Connectivity and Transit met in Dhaka on 19-20 January 2016. This was the second time the JWGs meetings were held in Dhaka, and also the second meeting Nepal participated, having missed the First Meeting held in Dhaka. In the meeting, the Nepalese delegation suggested that Nepal would examine feasible hydropower projects, including Sunkoshi 3 and Sunkoshi 2, for joint participation and development. BBIN also commenced discussions on the possibility of having a Sub-regional Rail Agreement.

The meeting on the Proposed Protocols to BBIN Motor Vehicles Agreement was held in Dhaka on 29-30 March 2016 to thrash out operational details and facilitate the implementation of the Agreement. Two separate protocols for the Regulation of (1) Passenger and (2) Cargo Vehicular Traffic between the four countries were considered. The Protocols are intended to concretise the provisions of the MVA by both delineating and elaborating its provisions and specifying the enabling procedures for trade and transit authorities. Earlier, in the meeting of nodal officials of BBIN held in Dhaka on 8-9 September 2015, Nepal proposed three routes between Nepal-India-Bangladesh and Nepal-India-Bhutan for passenger vehicles and five routes for cargo vehicles.

Passport Services

The Department of Passports, under the Ministry of Foreign Affairs of Nepal, is responsible to provide passports and travel documents to the Nepalese nationals and other legally eligible persons. The Department has been catering to the needs of thousands of service seekers every day. With the committed and dedicated staff, application of appropriate technology, use of social media, emphasis on information and communication, peoplecentric approach in service delivery, and consistent innovation process, the passport service has become one of the best services that the Government of Nepal provides to its citizens. Indeed, keeping the 'reform measures' at the center of its service delivery as well as adjusting to a challenging work environment, the Department has been striving to raise the standards of its service delivery and, hence, satisfy its clients.



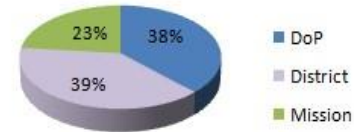
Hon'ble Deputy Prime Minister and Foreign Minister Mr. Kamal Thapawa handed over the diplomatic passport by Mr. LokBahadur Thapa, Director General, Department of Passports after the inauguration of Live Enrollment System.

Ever since the commencement of the issuance of Machine Readable Passports (MRPs) on 26 December 2010, a total of 4.2 million MRPs have been issued as of 30 Chaitra 2072. In the year 2072, the Department produced a total of 977,635 personalised machine readable passports and travel documents. The figure includes 975,317 ordinary passports, 1,453 official passports, 712 diplomatic passports and 153 travel documents. Of them, 789,003 are males and 177,775 are females. The Department alone distributed a total of 285,977 passports while district and diplomatic missions distributed 487,054 and 193,761 passports respectively. The demand of MRPs has been gradually decreasing specifically after 24 November 2015 which indicates that almost all handwritten passports have been converted into MRPs.

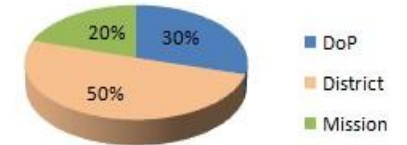


Types of Nepalese Passports (from left): diplomatic, ordinary, travel document and official passport

2071 BS

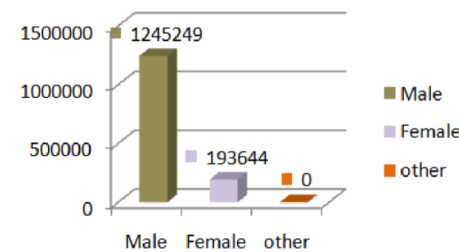


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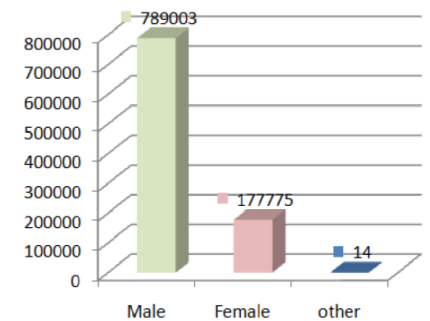


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Passport distribution gender-wise in 2071 BS

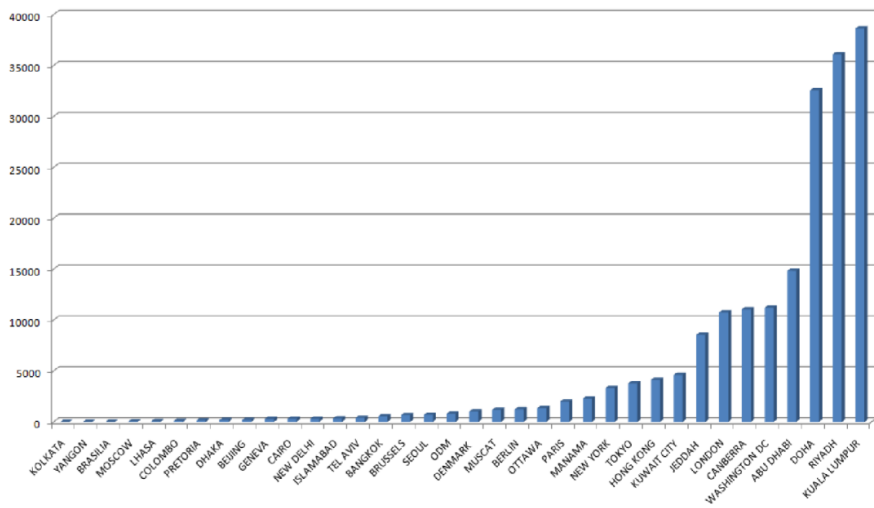


Passport distribution gender-wise in 2072 BS

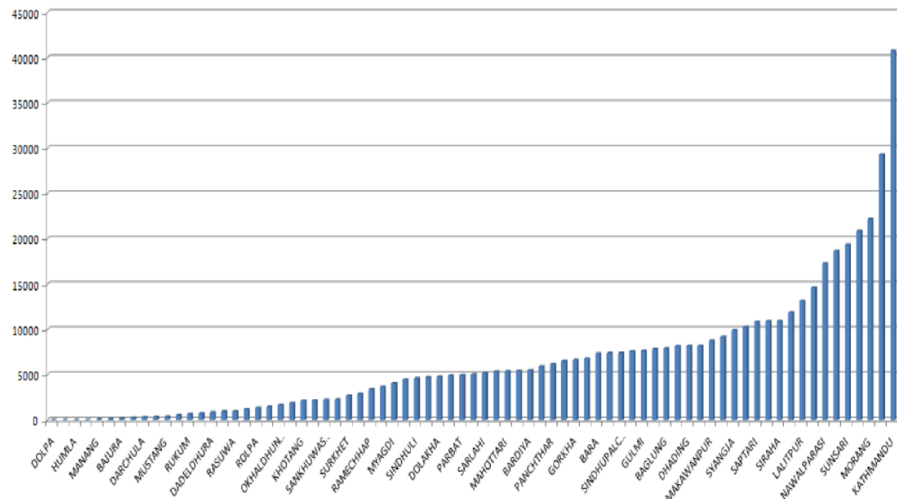


Daily production capacity was limited to 4,000 MRPs until April 2014. In view of the immense pressure and burden felt due to a gap between low production capacity and higher demand, the production capacity was increased to about 7,000 passports per day.

Passport distribution mission-wise in 2072 BS



Passport distribution district-wise in 2072 BS



The passport service has become one of the major services the Government caters to its citizens. With the increase in the number of people going abroad for different reasons including foreign employment, studies and tourism, there has been a consistent and immense pressure on the Department to enhance its capacity to provide better and more efficient services to the people.

To ensure overall security of passport services, the passport personalisation system is centralised in the Department. However, the passport application and distribution system is decentralised giving applicants the freedom to choose any suitable place including district or diplomatic mission or the Department of Passports in order to lodge applications and receive passports.

There are two streams of passport services: fast and normal tracks. Under the fast track service available in the Department only, double fee i.e. NRs 10,000 is to be charged to deliver the passport within five working days. Until November 2015, the Department used to deliver the passport under this category within seven working days. The Department is currently providing secure, smooth, and efficient services through its eight collection counters and eight distribution counters within its premises. In addition, there are eight Live Enrollment Counters to get digital applications for ordinary passports. For normal service, one can submit passport applications through all district headquarters as well as all diplomatic missions abroad.

There have been 36 passport collection centers which collect passport applications submitted to different districts and deliver to the Department for personalisation. Once the passports are ready, the collection centers are responsible to collect the passports and dispatch to the district headquarters under their jurisdiction. The Department prepares and dispatches passports of those who apply through districts within ten days from the receipt of applications. Similarly, the Department has been fast tracking all passport applications received through diplomatic missions and an arrangement has been made to dispatch these passports within seven days once the applications are received.

The Department has been issuing diplomatic and official passports within a day depending upon urgency and importance. The Department also manages to enroll the applications of VVIPs through its mobile enrollment kits.

The Department entertains hundreds of phone calls, emails, and face-book messages and enquiries daily.

Of late, the Department has undertaken various reform measures in order to provide better, more efficient, effective, reliable and predictable services. In an effort to serve nearly four thousand clients a day efficiently and effectively, the Department expands its operating hours from six am to six pm and provides its services even during long public holidays. Application of Intelligent Character Recognition (ICR) system has helped enhance daily passport production capacity. In order to address the problems arising from manual enrollment and also, as a step towards more advanced operating system, live enrollment stations have been installed in the Department and some diplomatic missions. The diplomatic missions having such live enrollment facility include Doha, Riyadh, Jeddah, Abu Dhabi, Kuwait, Kuala Lumpur, Hong Kong, London, Washington DC and New York. Application of such technology has greatly eased, expedited the process of application and shortened the passport delivery time substantially.

The Department provides information to its clients via social media such as facebook and twitter, coupled with digital display boards at the Department premises, and mobile SMS alerts. Information such as receipt of application forms, dispatch of printed passports to districts and diplomatic missions as well as rejected applications along with the reasons of rejection has been provided on the Department's website, twitter and face-book page. An arrangement has been made to provide information about problems regarding their passport applications, if any, through SMS in mobile phones. These arrangements have been extremely helpful for applicants and others alike to have proper information on the status of their applications.

The Department has adopted "people first approach" to handle grievances of clients and, hence, maximise their satisfaction. A special "Grievance Handling and Verification Unit" has been created to hear and redress the public complaints and other problems. In addition, any service seeker can access directly to the head of the Department i.e. Director General to lodge complaints, if any. In fact, the direct telephone numbers of the Director General as well as all Directors have been provided on the digital display boards at the main gate as well as in service counters. The Department welcomes any comments, feedback and suggestions, on its services, provided via appointments, telephone calls, emails or through social media.

From August 2015, the Department started issuing passports to LGBTs (gender minorities) with "O" symbol in sex category.

To ensure overall security of passport services and make the verification process simple yet robust and reliable, the Department continues to maintain its interlinkages with all District Headquarters. The Department's access to the citizenship database under the Ministry of Home Affairs is ensured. Emphasis is also laid on the upgradation of the Department's Forensic Lab Unit, responsible for investigation into forged and tampered documents submitted to get passports. These arrangements have greatly facilitated internal verification of citizenship certificates and establish the identity of passport applicants.

The Department stresses on strong inter-agency co-operation with all stakeholders within the Government and beyond. It also maintains supportive and cooperative relations with diplomatic missions, which are concerned about documents and passport security. The Department is also working closely with the Foreign Employment Promotion Board setting up a labor information desk in its premises in order to create awareness to the prospective migrant workers.

The technical glitches faced by the Department to take ownership and transfer the current passport data have been resolved. To this effect, an additional agreement was signed with the Oberthur Technologies, France on 16 July 2015 to supply additional 2.5 million passports, provide fifty live enrollment stations as well as to develop a secured web portal, provide interoperability, and export current passport data at a given time in the format designated by the Government of Nepal free of cost.

Emphasis is laid on improving interpersonal skills of the staff to extend due courtesies to the clients. Zero tolerance on corruption and fraud is ensured. Record management within the Department is made more systematic with the use of technology and is now being digitalised.

With the above reforms, the Department has made numerous milestones in passport services in the period under review. Nepal complied to the 24 November 2015 deadline set by International Civil Aviation Organisation (ICAO) to replace handwritten passports with Machine Readable Passports. Predictability and reliability have become the hallmarks of the passport services as of now. Expeditious, reliable and predictable services along with the application of

technologies, not least the live enrollment stations, have helped cut various associated costs for the applicants. Customer satisfaction rate has gone up and the trust of citizens on the passport services is consistently growing. Queuing hours for passport application has substantially and noticeably reduced. To the great relief of all service-seekers as well as the people at large, a large crowd, in and around the Department, which otherwise was giving wrong impression about the overall service, is reduced notably.

The positive outcome inspires the people involved in the service delivery. It injects additional energy to develop a culture of continuous improvement. With its people centered services, the Department has become a benchmark institution for public service delivery. On this score, a number of groups and study teams from various training as well as academic institutions visit the Department to see how public service delivery can be improved within a short span of time with a vision, mission and strong commitment in the part of the organisation and its management.

The Department is committed to addressing issues like size of passport booklet, security features, and verification mechanism at an early date with high priority. In order to match the ICAO requirements as well as catch the global trends, the Department is all set to move forward to launch ePassports in the near future. The Department intends to increase the number of visa pages, change the colour, improve the printing quality, upgrade security features, and enhance durability of the passports. Similarly, increasing the number of live enrolment stations, and application of pre-enrolment system, automatic fingerprint identification system (AFIS), automated response system, online payment system as well as enhancing service quality remains the priority initiatives of the Department.

Overall, the Department plans to develop a culture of eGovernance in order to make its services more accessible, transparent, predictable, and client-friendly by means of reliable and safe IT services.

The Department has been continuously striving to improve its service delivery by reducing time for personalisation and distribution of the passports, cutting the direct as well as associated cost, removing cumbersome processes and ensuring equal services to all. The pragmatic small steps taken at the given time become giant leaps within a short period of time and bring about a set of visible changes in the service delivery that satisfy the clients. The Department is committed in providing its service seekers with a better and smarter service with enhanced

infrastructures, committed human resources, and improved technologies while continuing its best practices, putting in place the culture of continuous reform and innovation, adopting new technology and designing client-friendly procedures in the days ahead.

Consular Services

The Department of Consular Services under the Ministry of Foreign Affairs has been entrusted with the responsibility of authentication of official documents; counseling to the victim's family for management of dead body, insurance and compensation; issuance of visas and identity cards to the officials of diplomatic missions including international and regional organisations; recommendation for customs exemption on imports of goods by diplomatic missions and diplomats; and recommendation to the concerned diplomatic mission for visas for the government officials.

The quantitative synopsis of all functions performed by the Department during the period of year 2072 has been shown in the table below:-

S.N.	Functions/Section	Number of Work Completed
A	Consular and legal Counseling Section	
1	Recommendation for Medical treatment, Religious tour, World cycling tour and other	42
2	Recommendation for Indian education certificate, nationality verification and those who are going to India for study purpose	3743
3	Recommendation for Indian pensions	14
4	Recommendation for issuing Nepalese license on the basis of foreign license held by Nepalese citizens	467
5	Recommendation letter to Indian Embassy for character verification report to Nepalese citizens during their period of stay in India	419
6	Recommendation for procurement of chemicals	1258
7	Recommendation letter to Indian Embassy for issuing vehicle permit for vehicles to enter India	30

8	Correspondence to concerned authorities regarding citizenship renouncement of Nepalese citizens submitting their application in Nepalese missions stationed abroad	56
9	Correspondence letter regarding authenticity of Power of Attorney (POA) issued by Nepalese missions abroad	505

10	Correspondence letter to concerned authorities regarding authenticity of documents issued by the Government of Nepal	169
11	POA, VOR, H-Form Request (Malaysia), and correspondence to the districts for compensation to Nepalese citizens who died abroad	464
12	Correspondence concerning search and rescue of Nepalese citizens in foreign countries	851
13	Correspondence regarding to repatriation of dead body of Nepalese nationals abroad	421
14	Correspondence to the several government agencies	462
15	Number of draft received for compensation from Malaysia	90
16	Draft submitted for compensation from Malaysia	51
17	Correspondence to the Nepalese Missions abroad and other agencies on various subjects including insurance and compensation enquiry	531
18	Correspondence to the foreign missions in Nepal	813
19	Telephone enquiries and other enquiries about insurance and compensation to the Nepali Missions abroad.	1190
B	Exemption and Visa Section	
1	Issuance of diplomatic/official/gratis visa	2949
2	Issuance of diplomatic/official ID Card	391
3	Issuance of SAARC visa sticker	108
4	Number of recommendation for exemption	4282
C	Visa section (Government Recommendation)	

1	Number of visa recommendation to the concerned diplomatic missions for government officials	2201
D	Consular Attestation section	
1	Number of attested document	1,93,895
		2,15,402
	Revenue collection from attestation of documents	NRs 37,877,864

The Department has placed an emphasis on e-governance for effective service delivery. From the next fiscal year 2073/74, the Department is planning to introduce online system of receiving application from the victim's family for search and rescue, management of dead body and insurance/compensation. After the operation of this system, applicants can apply and follow up the cases online from their own place. The Department has also the plan to gradually introduce such online system on other services as well. The Ministry of Foreign Affairs has already signed a Memorandum of Understanding with the Kathmandu Division Office under the Department of Urban Development and Building Construction for construction of a permanent building for the Department in the current premises. With the completion of building, it is expected that the service delivery of the Department will be more efficient and effective.

Economic Diplomacy

Economic diplomacy continued to receive priority of the Ministry and the entire diplomatic machinery this year. Our basic thrust on economic diplomacy has been guided by the unprecedented economic transformation that is taking place in our neighbourhood as well as the opportunities unfolded with the growing phenomena of regional integration and globalisation.

Utilising market access opportunities, along with other concessional facilities as are available to LDCs, and securing uninterrupted freedom of transit including other associated benefits to LLDCs remained the major task in the realm of trade and transit.

Our efforts were primarily directed towards projecting Nepal as an attractive destination, for foreign direct investment in productive sectors of economy and infrastructure development, in the context of political stability achieved following the promulgation of constitution.

We continued to promote Nepal as a safe and attractive destination for tourists even after the massive devastation caused by earthquake. Special and targeted programmes in various source countries were launched in this regard. A number of countries lifted travel bans and negative travel advisories as a result of our consistent efforts.

We continued to explore overseas job opportunities for Nepalese workforce. We also made efforts to make foreign employment safe, secure and dignified by engaging the destination countries in dialogue.

As an LDC, LLDC and a country emerging from conflict, we continued to voice for focused, targeted and enhanced development assistance in bilateral as well as multilateral negotiations underlining the need for channeling resources through national system.

We also took important initiatives to streamline and develop institutional mechanisms to deal with economic diplomacy. A High Level Coordination Committee under the chairmanship of the Foreign Minister has been constituted to ensure effective inter-agency coordination, provide guidance and monitor performance on economic diplomacy. New Guidelines were prepared and

approved this year in order to make economic diplomacy robust and result oriented. Country-specific strategy papers have been devised with a special focus on neighbouring countries and the countries that are important for our economic relations. Specific terms of reference on the promotion of economic diplomacy have been provided to the Heads of diplomatic missions.

We made budgetary allocation to implement policies and programs of economic diplomacy. NRs17.5 million was allocated for the promotional programme to mitigate negative impact on tourism industry in the aftermath of the devastating earthquake and NRs7 million was allocated to foreign employment promotion programme with a view to explore and manage employment opportunities as well as protect the rights of our migrant workers. Similarly, NRs 7 million was allocated for art and cultural heritage promotional program and NRs 14 million was allocated for information programme relating to investment opportunity in Nepal. In addition, NRs 3 million was allocated to export promotion of Nepal.

Tourism

Since 2014 to mid-January 2015, the total number of tourist arrivals in Nepal was 790,118. The average length of tourist stay was 12.4 day; the average spending per tourist was USD 46.4; and the total revenue earned from this sector was NRs 46.37 billion. The share of this sector to GDP remained at 2.6 percent.

Trade

In the fiscal year 2070/71, total trade deficit stood at 32.1 percent of GDP. Trade deficit in first eight months of the fiscal year 2071/72 increased by 8.5 percent to NRs 562.79 billion during the same period of the previous fiscal year. In the first eight months of fiscal year 2071/72, the share of exports and imports in total trade has been 10.1 percent and 89.9 percent respectively. Such shares were 11.7 percent and 88.3 percent respectively during the corresponding period of the previous fiscal year. Of the total export, shares of export to India, China, and other countries accounted for 64.2 percent, 3.3 percent and 32.5 percent respectively. Likewise, of the total import, shares of import from India, China and other countries stood at 63.2 percent, 14.2 percent and 22.6 percent respectively.

Foreign Employment

Nearly two million Nepalese youths work in GCC countries, Malaysia, Republic of Korea and Israel as migrant workers. This year 364,740 Nepalese left for foreign employment, which is 25 percent more than previous year. In 2013/14, Nepal received total amount of NRs 543.3 billion in remittances which was 28 percent of GDP. In the first eight month of fiscal year 2014/15, the remittances were NRs 371 billion which was 4 percent higher than previous fiscal year.

Foreign Direct Investment

In the fiscal year 2014-15, the actual FDI flow to Nepal was NRs 6.16 billion whereas total FDI pledges had amounted to NRs 67.25 billion. As of mid-July 2015 the total FDI received in Nepal reached NRs 63.42 billion, an increase of NRs 6.16 billion from previous year. With the promulgation of the Constitution and the end of long political transition, a conducive environment has now been created in the country for increased foreign direct investment. The country's economic diplomacy will now be focused on this dimension.

Through its annual policy and programme, the Government has declared this next fiscal year as the year of departure towards prosperity. As a key tool of economic growth, employment generation and wealth creation, FDI is going to be a crucial component of this mission.

Non Resident Nepalese (NRN)

Nepalese missions continued to engage with the NRNs to utilise their knowledge, skills, technology and capital in Nepal. Nepalese diaspora and NRNs responded promptly and generously to the call for humanitarian support in the aftermath of the earthquakes. Their contribution and support to Nepal's reconstruction and rebuilding efforts remained important. In the aftermath of devastating earthquakes, the NRN provided immediate relief materials to over seventeen thousand families. NRN contributed to the relief efforts in the spirit of selfless service to fellow countrymen in dire needs. NRN is also involved in reconstruction programme. It has undertaken the project to develop Laprak, one of the most affected villages in Gorkha District, into a model village.

NRN held its 7th Annual Conference in Kathmandu on 14-17 October 2015. More than 1,100 delegates from around the world participated in the Conference to deliberate on how NRN's role can be enhanced and strengthened as a partner in Nepal's development. The Conference issued a 10-point Declaration which, among others, urged NRN around the world to scale up investment in hydropower, tourism, health, education, information and communication along with other priority areas of Nepal so as to support Nepal's aspiration for development and prosperity. Addressing the Conference, the Rt. Hon'ble Prime Minister, Mr. K.P. Sharma Oli stated that after the promulgation of the Constitution, a new era has begun in Nepal's history leading to the path of peace and stability. The Prime Minister invited the NRNs for a partnership with the Government to lead Nepal towards development and prosperity.

Internal Management

Initiatives were taken towards greater professionalisation and capacity enhancement of the core diplomatic staff, optimum use of information technology, institutional reform and better management of resources.

Recognising the need for developing foreign service as specialised service, the 2nd amendment of Civil Service Act, 2049 made in 2064 constituted Nepal Foreign Service as a separate service and the 4th amendment of the Act made on 2072 Asadh 29 enlisted it under a separate cluster with the aim to ensure the specialisation of the Service up to the Gazetted Special Class. Realising the need for enacting a separate Foreign Service Act, a draft text of Foreign Service bill was prepared this year and is in the process of soliciting comments from the concerned line ministries. This will be pursued next year.

A fresh Organisation and Management Survey was conducted this year to adjust the organisational structure commensurate with the increase in workload in the Ministry and the missions abroad. The O&M Survey report was approved by the Cabinet on 2072/01/31 and was brought into force immediately. Accordingly, additional human resources were provided in Nepalese missions abroad especially in countries of labour destinations.

The Plan of Action for Strengthening the Ministry of Foreign Affairs especially focusing on the key areas such as institutional improvement, proper management and mobilisation of resources, public service delivery, improvement of public

diplomacy, and management of archives was approved by the Cabinet. The Plan of Action is being implemented.

The Ministry initiated necessary works this year for the construction of a modern building the Department of Passports and the Department of Consular Services in Tripureshwor.

Aiming to conduct a more focused, effective and result-oriented diplomacy, the Ministry prepared specific terms of reference for each head of diplomatic missions overseas. Evaluation criteria were developed to assess their performance.

As an undertaking towards e-governance, the Office Automation System for the improvement and digitalisation of the official archives and documentation was introduced in the Ministry this year as per the decision of the Government of Nepal.

Four expert consultants were tasked this year to study and prepare reports on key areas of reform: Capacity Building of the Ministry as well as Nepalese missions abroad; Revision of the Foreign Allowances; Management of the Physical Properties under the Ownership of Ministry; and Restructuring and Strengthening of the Institute of Foreign Affairs. The recommendations of the reports will be implemented gradually.

An elaborate report on the physical properties under the ownership of Nepalese Embassies as well as Consulates was prepared. Process started this year for purchasing of house/apartment by Nepalese diplomatic missions abroad.

In-house training and seminars were conducted for the Ministry personnel this year in association with the Institute of Foreign Affairs. The training courses included Foreign Languages, Accounting, Hospitality and Basic Etiquette, among others.

Knowledge of foreign languages is essential in modern-day diplomacy. Following the Chinese language course last year, the Ministry conducted French language training this year. A fresh batch of officers graduated from the American Language Center after the successful completion of the professional English language training. Several other language trainings are in pipeline.

With a view to updating and strengthening diplomatic code of conduct, a draft text was prepared.

ANNEXURE

Annex-1

Joint Statement between the People's Republic of China and Nepal

1. At the invitation of Premier Li Keqiang of the State Council of the People's Republic of China, Rt. Hon'ble K.P. Sharma Oli, Prime Minister of Nepal paid an official visit to China from March 20 to 27, 2016. During the visit, Prime Minister Oli called on H.E. Xi Jinping, President of the People's Republic of China, held official level bilateral talks with H.E. Li Keqiang, Premier of State Council of the People's Republic of China and met with H.E. Yu Zhengsheng, Chairman of the National Committee of the Chinese People's Political Consultative Conference. After his visit in Beijing, he will attend the Boao Forum for Asia Annual Conference 2016 and visit Xi'an of Shaan'xi Province and Chengdu of Sichuan Province. He was accompanied by his spouse Mrs. RadhikaShakya, Hon'ble Mr. Kamal Thapa, Deputy Prime Minister and Minister for Foreign Affairs, Hon'ble Mr. Bishnu Prasad Paudel, Minister for Finance, Hon'ble Mr. Deepak Bohara, Minister for Commerce, Hon'ble Mr. Giriraj Mani Pokharel, Minister for Education, Mr. Bishnu Prasad Rimal, Chief Advisor to the Rt. Hon'ble Prime Minister, Members of Parliament, senior Government Officials, representatives from the private sector and media persons.
2. The two countries' leaders expressed satisfaction over remarkable achievements in cooperation of various fields since the establishment of diplomatic relations between the two countries in 1955, and believed that the bilateral relationship maintained the momentum of healthy development on the basis of the Five Principles of Peaceful Coexistence, which sets a model of harmonious coexistence between countries of different size and social systems. The Chinese side welcomed the promulgation of the constitution in Nepal and regarded it as a historic progress in the political transition of Nepal. The Chinese side sincerely hoped that Nepal could take this opportunity to realise its political stability and economic development.

The two sides noted that their countries are undergoing various forms of reforms, transformation and development. The China-Nepal relationship has reached a

new height, and the two countries are faced with more opportunities of development and prosperity. In this context, both sides will inherit and carry forward traditional friendship and deepen cooperation featuring equality and mutual-benefit to bring more benefits to both countries and their peoples.

3. The two sides reiterated their firm commitment to respect each other's independence, sovereignty and territorial integrity, respect and accommodate each other's concerns and core interests. The Nepalese side reiterated its commitment to one China Policy. It firmly supports the efforts made by the Chinese side to uphold state sovereignty, national unity and territorial integrity, and does not allow any forces to use Nepalese territory for any anti-China or separatist activities. The Chinese side firmly supports and respects Nepal's own choice of social system and development path, and the efforts made by the Nepalese side in upholding its sovereignty, independence, territorial integrity, national unity and stability.
4. Both sides believed that the high level contacts are of special importance to the development of bilateral relations. The two sides agreed to maintain the momentum of high level mutual visits, and have meetings between the leaders on the bilateral and multilateral occasions to share views on important issues of common interests. The two sides agreed to make full use of existing mechanisms, including the Diplomatic Consultations and the Joint Economic and Trade Committee meeting, to expand exchanges and cooperation between government departments, legislatures and political parties.
5. As regards Nepal-China bilateral cooperation, both sides agreed to synergise each other's development planning, formulate appropriate bilateral cooperation programs and to carry out major projects under the framework of the Belt and Road Initiative. Both sides agreed to strengthen connectivity, further step up the land and air links and improve the land transport infrastructure. The Chinese side agreed to accelerate the feasibility study on the Araniko Highway Repair and Opening Maintenance Project and the Repair and Opening Maintenance Project of Syaphrubesi-Rasuwegadhi Highway, build the bridge over Karnali River at Hilsa of Pulan/Yari port. The two sides also agreed to accelerate the upgradation of Kathmandu Ring Road 1st phase by solving the pending issues and start the project feasibility study of 2nd phase, at appropriate time, and the Nepalese side will provide necessary cooperation to implement this project. The relevant authorities of both sides will exchange

ideas and proposal on constructing cross border railways and railway network in Nepal, and support enterprises to start related preparatory work as soon as possible. Both sides exchanged views on facilitating Chinese investment in key areas including infrastructures by encouraging the Chinese investment in Nepal, as per the laws and regulation of Nepal. Both sides agreed to explore establishing cross border economic cooperation zones via existing frontier ports and to speed up opening up other frontier ports and trade points as mutually agreed upon. The two sides expressed satisfaction on the conclusion of Agreement on Transit Transport and directed the competent authorities to immediately start negotiation to develop a protocol which will be an integral part of the Agreement. Both sides agreed to negotiate on the Agreement on Boundary Management System.

6. The Chinese Government will continue to provide assistance to Nepal's socioeconomic development within its ability. The Chinese side will implement the 3 billion RMB grant assistance from 2016 to 2018 to support the post disaster reconstruction of Nepal, to carry out 25 key projects in areas covering infrastructure construction, recovery of people's livelihood in quake-stricken areas of northern Nepal, repair of cultural and historic sites, capacity building in disaster prevention and control as well as medical and public health cooperation.

The Chinese side agreed to provide more than 32,000 sets of household solar power generation system to Nepal, to build small-size education and public health facilities in several selected locations over Nepal, and to enhance cooperation on disaster preparedness and mitigation. The Chinese side agreed to carry out Rain Water Harvesting Project and other livelihood projects in Nepal to improve the living standard of the local people. The Chinese side will further enhance cooperation to the Nepalese side for the infrastructure development as well as social and economic development of the people residing in the bordering districts of Nepal and China.

7. In view of the trade deficit of Nepal, the Chinese side will seriously consider to provide the enhanced market access to tradable products of Nepal as contained in the list recently provided by Nepal. The two sides agreed to start the joint feasibility study of China-Nepal Free Trade Agreement and conclude the study at an early date. The Chinese side encourages local government, Chinese enterprises and social groups to tap the potential with the Nepalese

side on production capacity cooperation and economic and trade cooperation zones building and strengthen cooperation in areas that Nepal has resources and advantages, such as construction materials, water conservation and hydro-power, and organic agriculture.

8. Both sides agreed to conclude a commercial deal on the supply of petroleum products from China to Nepal. In this context, they encouraged companies to speed up negotiations and concerned agencies to study providing supporting policies on issues of pricing, taxation, transportation, quality control and customs and frontier formalities. The Chinese side agreed to build oil storage facilities for Nepal, and will send experts to Nepal to carry out feasibility study on oil and gas resources research. The two sides agreed to establish a Dialogue Mechanism on Energy Cooperation to facilitate the long term planning of cooperation in this area, including trans-border power grid, hydro-power and solar power, etc. The Nepalese side agreed to take necessary steps to facilitate Chinese enterprises and their investment in Nepal.
9. The two sides agreed to strengthen cooperation between the law enforcement agencies of the two countries through exchange of information, capacity building and training in this field. Both sides agreed to negotiate Treaty on Mutual Legal Assistance in Criminal Matters and Treaty on Extradition, in order to strengthen cooperation on the administration of border areas and fight against illegal border crossing and transnational crimes.
10. The Chinese side welcomed the decision of the Government of Nepal to establish Consulate General of Nepal in Guangzhou, and also agreed to earnestly study Nepal's proposal of establishing the Consulate General of Nepal in Chengdu. The agreements on the establishment of sister-city relationships between Yusu-Pokhara, Shannan-Bhaktapur and Chengdu-Kathmandu were welcomed by both sides. The Chinese side encourages the Tibet Autonomous Region as well as Sichuan, Yunnan and Qinghai and other provinces to enhance cooperation as defined by the Government of Nepal.
11. Both sides agreed to support each other's tourism promotion activities in their respective countries to enhance people-to-people contacts. To support the recovery of tourism in Nepal, the Chinese side is willing to provide Chinese language training in Nepal for 200 Nepalese tourism professionals in the coming five years, and encourage Chinese enterprises to invest in Nepal's

tourism facilities. The Chinese side is willing to provide around 400 training opportunities in human resources development and more government scholarships this year to the Nepalese side and welcome more Nepalese students to pursue higher education in China through other channels or programs. The Chinese side will hold the Seventh China Festival and Second Kathmandu Cultural Forum within this year, and further enhance China-Nepal cultural cooperation through the platform of Chinese Cultural Centre in Nepal. The Nepalese side is willing to provide necessary facilities and assistance in this regard.

12. The two sides agreed to further promote cooperation in multilateral forums including in the United Nations on issues of mutual interests. They believed that cooperation among the developing countries on climate change, energy, food security, etc. will enhance and consolidate their solidarity and promote their collective strength in shaping global development agenda. The two sides positively view and support each other's participation in the regional cooperation process, and agreed to enhance coordination and cooperation within SCO, SAARC and other regional cooperation mechanisms within the agreed frameworks and guidelines.
13. The Chinese side agreed to provide financial support on preferential terms for Pokhara Regional International Airport. The Nepalese side requested the Chinese side to provide assistance for the preparation of Detailed Project Report (DPR) and construction of a dedicated two lanes Kimathanka-KhandbariDhankuta Road and upgrade Kathmandu Ring Road 2nd Phase, to provide financial and technical support for the feasibility study and the preparation of DPR of the proposed Rashuwagadi-Kathmandu and Kathmandu-PokharaLumbini Railway Project, to take up 434 MW Arun-Kimathanka Hydro Power Project and 400 KV Cross-Border Transmission Lines Project at RashuwagadiKerung border point and construct 132KV Double Circuit Transmission Lines Monopole Structure around Kathmandu Ring Road. The Nepalese side also hoped that the Chinese side could provide assistance for the establishment of the Madan Bhandari Institute of Technology (MBIT) in Nepal and expansion of the Civil Service Hospital. The Nepalese side requested that these projects be taken up as priority ones and funding arrangements will be sought from various sources, and the Chinese side is willing to study earnestly after the Nepalese side's providing of Detailed Project Proposals of above-mentioned projects.

14. In order to facilitate trade, tourism and investment between the two countries, the Chinese side supports Chinese-funded banks to open branches in Nepal in accordance with relevant policies and regulations. In this context, the Nepalese side is expected to provide policy and regulation facilities for Chinese funded banks to enter in to Nepalese market.

15. Prime Minister Oli expressed his appreciation for the warm and friendly hospitality extended by the Chinese side, and extended invitation to the Chinese leaders to visit Nepal within this year. The Chinese leaders expressed thanks for the invitation and agreed to visit Nepal at mutually convenient dates which will be worked out through the diplomatic channels.

During the visit, the two sides signed agreements covering the areas of free trade, transit transport, connectivity, financial cooperation, etc.

Beijing, March 23, 2016

**Statement by the Rt. Hon'ble Prime Minister at Renmin University, Beijing
On the theme "Nepal-China Relations in the Context of One Belt- One Road
Initiative"**

Beijing, 22 March 2016

Prof. Liu Wei, President of Renmin University of China,
Esteemed Professors, academics and students,
Distinguished Friends,
Ladies and Gentlemen

I feel honoured to be here and speak to this gathering of intellectuals, youthful students and friends of Nepal. I express my sincere gratitude to Mr. President for his generous invitation to join all of you at this University; the People's university which has been a home to several outstanding scholars, has been a fountain of knowledge and source of wisdom, and whose alumni have provided impetus to the unprecedented development of the People's Republic of China.

In its glorious history of more than seven decades since the foundation of Shanbei Public School, the university has taken a leading role in higher education, not only in China but globally. I feel profoundly impressed to be here at the university whose foundation was guided by genesis of new China, which was established out of North China University in 1950 and received care and guidance from the enlightened leaderships, including that of Chairman Mao.

Specialising in humanities and social sciences, it has cultivated a notable alumni, and produced a large number of cadres who contributed in the rise of China.

With its motto of "Seeking Truths from Facts", the university has made significant research achievements in the past and continues to do so.

Standing here at the university with exceptional historical legacy, it is indeed a matter of pleasure to meet this cross-section of professionals and students, who are in the incessant pursuit of "Seeking Truth from Facts".

Almost forty-three years ago, in the age of my prime youth, I was arrested and jailed, without any fair trial, by the autocratic rulers and suppressive regime to

fulfill their hidden interest and prolong their autocratic regime. Their sole motto was: crush the truth and protect their selfish instinct. For that, they alleged me of being an anti-national element and committing heinous crime, thus for them I became too dangerous element to the social order. I continued to reject with strong belief that might can't be right and I never surrendered myself to that belief rather chose to fight against the autocratic regime without any fear of my life. I believe so because might is ephemeral and truth is permanent and eternal. And you know, what my crime was? To “Seek Truth from Facts”!

For the crime of “Seeking Truth from Facts”, I was sentenced to harsh imprisonment for fourteen years with four years of solitary confinement. However I did not let that dark episode of my life to drain my energy away. I did not let that period of severe detention to decimate my determination. The hope in me did not succumb to the torture. The youth in me did not yield to those reactionaries. The cruelty afflicted by those who sought to silence my pursuit for truth, my quest for transformation, did not melt my resolve.

And at the end, it was ‘the truth’ that prevailed. It is ‘the truth’ that will continue to prevail.

And, allow me, from this podium, to congratulate, the prestigious university of yours for keeping pursuit of truth alive; for keeping the beacon of truth. Thus, from cave to space, from cradle to cabin, Beijing leads civilisation, knowledge and development.

Ladies and Gentlemen, Dear Friends,

Asia has been the land of great philosophers, the land of passionate truth-seekers, the land of multiple civilisations, all of them equally great and all of them equally rich.

It is our Asia where the greatest of human civilisations flourished and guided the humanity across the path of innovation and evolution. It is our Asia, where great Masters and Saints were born, and showed the world the light of peace, the avenue of wisdom, the path of virtue and the way of ‘de’ (德 Chinese for virtue) or virtue.

It is our Asia where the diligence and dedication of our forebears conceived an unshakable foundation of history. A foundation infused with creative ingenuity, a

foundation infused with scientific curiosity and a foundation infused with foresighted leadership.

Our ancestors guided the world through the process of innovation and evolution. They were innovators, visionary and leaders whose legacy is an asset to the whole of Asia and the world. They steered the raft of transformation with profound success, even though waters of history were turbulent sometime. They carried the torch of determination even though the path of history was dark sometime. Their efforts for development were tireless, their commitments resolute, and their leadership exemplary. They risked their life to breathe life into the dream of prosperous and developed Asia.

The responsibility lies on us to ensure that the raft of our creative ancestors won't sink and the torch won't extinguish. And education will indeed nurture the talents who will walk upon the path laid down by our progenitors.

Education has the ability to cultivate the human potential to the pinnacle of creativity. Education has might to nurse innovativeness and skills, much needed to fuel the engine of economic growth and development.

It is education that ultimately molds the robust bricks essential to build the edifice of developed nation. And I strongly believe, Dear Students, you will make best use of the opportunity you have been provided with at this glorious university.

Ladies and Gentlemen, Dear Friends,

Our nations, Nepal and China, the lands of Lord Buddha and Great Confucius have a long history of harmonious relationship with each other. Our nations had cooperated in the areas of culture as well as commerce, had exchanges in the areas of trade as well as civilisations. The relationship dates back to antiquity, rooted in our histories that coexisted together.

Today, in our contemporary times, that cooperation has emerged more intensely. The relations have been deepened with collaboration more diversified in approach, exchanges more broadened in scope and linkage more strengthened in resolve. Our friendly relations, have been firmly fortified on the foundations of Panchasheel. The sovereign equality, non-interference, and respect for each other's sensitivities have guided our stable friendship.

As a friendly neighbor, Nepal, has always been well aware of the sensitivities of China. Nepal adheres strongly to the 'One-China Policy', and has not allowed its land to be used, under any pretext, against China. And it will continue to keep this commitment firm and intact.

Similarly, the People's Republic of China has respected our sovereignty and supported our development endeavors. Our two nations have been all-weather friends, friends at the time of distress as well as at the time of comfort.

The generous assistance extended by China in projects of infrastructure buildup has aided development endeavors of Nepal. The investment ventures by the Chinese firms, the dynamic engagement in trade relations and technical cooperation has aided our pursuits for development. However, we must take the scheme of economic cooperation to much higher level.

The increasing flow of tourists from China has contributed to the growth of our economy; and more importantly it has augmented the interactions among people, interactions between the cultures.

China remains one of the most preferred destinations for the students from Nepal. The increasing number of Nepalese students in China, brighten up the prospect for exchange of ideas, prospect for advancement of skills and a prospect for shared future.

With the rapid development of Tibet Autonomous Region of China, I believe that it will further boost trade and investment between our countries. It will ease the constraints of geography; will defy the every existing barriers.

As a land locked country with least developed economy, Nepal has multiple development challenges to conceive the prosperous future for nation. We need to boost investments, utilise resources and develop technology as well as innovation strategies. Investment will ease our constraints, resources will provide a manufacturing base, and technology will invoke the upward trajectory of development.

Nepal is seeking for the transformations in the quality of life for its people. We have pledged to broaden our industrial base as well as to modernise our agriculture. We have committed to harness the potential of hydropower

development and generate energy, much needed to fuel our industries. The markets are open for investment, welcoming for business. And I express my belief that Belt and Road initiative will relax the obstacles created by geography.

Dear Friends,

Last year, in 2015, we celebrated the diamond jubilee to mark the formalisation of our diplomatic relations. And in the course of those amicable years and decades, our countries have explored the opportunities together, have voiced their commitments to realise the common aspirations, have exchanged the support when needed. Our people have stood with each other at the time of difficulties.

However, the time has come to set higher and superior ambitions. Higher than the Mount Everest, and superior than the Great Wall. The time has come now to travel together into the united sphere of prosperity.

The initiative of One Belt-One Road, is a principal step to unleash our potentials to travel together into the cooperative sphere of prosperity. To catalyze the convergence of our shared interests. And to weave a tapestry of connectivity that will deepen our cooperation.

Riding in the raft of this initiative we shall sail through the waters of the seamless cooperation to ultimately realise what President Xi called a "Community of Common Destiny".

In the world order of twenty first century, we need to pursue mutually beneficial development ties without any of ideological prejudices, without any cynicism. And through this Belt and Road initiative we need to create inclusive cooperation, cooperation to realise positive-sum development, cooperation to establish Asia in the forefront of global dynamics.

This initiative will intensify the connectivity in all the manifestations. Connectivity of commerce as well as of cultures. Connectivity of interests as well as of benefits. Connectivity of infrastructures as well as of ideas. Connectivity of enterprises as well as of identities. Connectivity within and way beyond Asia.

Bringing the cultures and communities together, the Belt and Road initiative will step up the people to people bonds. It will bring us more closely to realise our shared destiny. A destiny of peace and harmony.

Nepal used to be an important thoroughfare of the historic commercial Silk route. It was a vibrant hub, an entrépot that connected China with the region of South Asia. And today, I believe, history has bestowed upon us the responsibility to revitalise that role. To augment the connectivity between our two countries and way beyond; the connectivity that encompasses over 60 countries and 4 billion people.

The economic growth and development of China is one of the inspiring success stories of our time. The initiative of Belt and Road will propel our prospects to benefit from the unprecedented transformation that is taking place in China, will cumulate the positive spillovers from development of China. Being the immediate neighbor of China, Nepal's gain from this initiative will be remarkable.

Committed to actively participate in the process of enhancing connectivity, Nepal has joined various international as well as regional platforms. Our involvement in Asian Infrastructure Investment Bank as founding member is a recent example of our orientation towards development and connectivity.

Dear Friends,

The successful process of Belt and Road initiative will unleash our potentials, will converge our interests. With the avenues opened for trade and investment, it will pave a route for prosperity, a route for development.

With the avenues opened for exchange of ideas and capitals, it will pave a road across which our countries will share the fruits of development.

With the avenues opened for unimpeded trade, it will pave a road to the welfare of all our people.

Well aware of those potentials, our countries signed a Memorandum of Understanding in December 2014 to jointly promote the Silk Road Economic Belt. Both sides have jointly agreed to deepen the connectivity through land highways and rail routes. And we must intensify our undertakings. We must revive the

world's promising economic route with the greatest of development potential. We must realise the cusp of transformation in connectivity in our lifetime. As Chairman Mao wrote in his poem, we must "Seize the day and seize the hour".

Ladies and Gentlemen,

I take this opportunity to thank the Government of China, and its people as well, for the valuable assistance in both relief and rescue operations immediately after the devastating earthquake of April last year. I am also keen to promote greater collaboration and cooperation between Renmin University and universities in Nepal for undertaking research in the areas of mutual concerns. The academic exchanges will inevitably lead us, and our leaders of tomorrow, to realise the shared destiny of peace and prosperity.

Before I conclude, I deem it important to share with you that I have had fruitful and productive discussions on Nepal-China relations with President Xi Jinping and Premier Li Keqiang yesterday. We have agreed to bring our relations to a newer height consistent with the trends of our time and as cherished by our people. Cross-border connectivity and infrastructure development; long-term economic partnership encompassing trade, investment, tourism; and, education and cultural exchanges are the key components of our cooperation for the days to come.

With this note, let me thank you, Prof. Liu Wei, and all other friends for this platform to share our ideas, to share our aspirations, and to explore the avenues of cooperation between our countries.

Thank you. Thank you very much for such a wonderful audience!

22 March 2016

Renmin University, Beijing

**Statement by the Rt. Hon. Prime Minister at Boao Forum for Asia, 2016
“Asia’s New Future: New Dynamics, New Vision”**

Your Excellency Mr. Li Keqiang,
Your Excellencies Heads of State and Government,
Mr. Secretary-General,
Ladies and Gentlemen,

It is my distinct pleasure to address the Boao Annual Forum-2016. The Forum provides a platform for the cross fertilisation of ideas. Ideas for Asia. Ideas of Asia.

I thank the organiser and also the Government of the People’s Republic of China for the kind invitation.

I bring you humble greetings from Nepal; the land where Buddha was born and induced the world to walk upon the path of peace.

I bring you warm wishes from the people of Nepal; people full of hope and potentials.
Asia has been the land of multiple civilisations, all of them equally great and all of them equally rich.

It must continue to be the land of multiple and distinct civilisations, coexisting together in harmony.

Distinguished Participants,

The emergence of Asia as the global economic leader has brought Asia in spotlight of the changing world order of the twenty first century.

To give a powerful boost to the global economy, the world looks today at Asia’s economic dynamism. The extraordinary performance of the Asian economies suggests the latitude of Asia’s prospects.

The relentless effort of Asia till today suggests the inevitability of Asia’s bright future.

Advancements in innovation and technology have been encouraging, have been opening new avenues for the development.

The momentous developments in information and communication technology; significant achievements in industrial productions bear potentials to vitalise the economic performance of Asia; to galvanise the future of Asia.

And such innovations must serve the cause of human progress. Technology must be accessible to all of the states without any prohibitive constraints.

To construct a prosperous and flourishing future by harnessing the dynamics of Asia; our efforts must build a cooperation model which will equitably distribute the opportunities and benefits.

Our collective vision must create a cooperation model which will enable a free flow of ideas, unimpeded links of trade, and an enduring instance of win-win situation; a cooperation model where the states do not exploit the vulnerabilities of others.

The vision for Asia must be accommodative and inclusive.

Distinguished Participants,

The dream of Asia’s future, the dream of peace and prosperity will be a failed cause if any of the Asian States is left behind. Make No Mistake, the sustainability of development in Asia will fall apart if the development is not inclusive.

Our pursuit for ‘common destiny’ will go misspent if anyone is left behind. Make NoMistake, the Asian future should rest on the citadel of inclusiveness. Without any doubt, Asia is emerging as the powerhouse of global economy.

The markets are flourishing, industries are growing, jobs (are) being created and many of the Asians have been lifted out of the poverty.

Yet, the vicious circle of poverty still stares at courtyard of Asia.

Make No Mistake, Ladies and Gentlemen, Peace and Poverty cannot go together.

Growth of Asia must not be narrow in dimension. Rise of Asia must not be extractive in approach. Ascent of Asia must not be fragile in structure.

Responsibility lies on us to uphold the vision that the dimension of Asian growth is broad enough; the approach of Asian rise is inclusive enough and the structure of Asian ascent is robust enough.

Distinguished Participants,

Recently, in our pursuit to embrace the aspirations of Nepalese people, we promulgated a democratic and inclusive constitution through the Constituent Assembly elected by the people of Nepal.

I would like to express sincere appreciation to all the states of Asia for their sincere support to our landmark endeavor.

In conclusion, this is the huge moment for Asia, to seize the opportunities, to unleash the potentials and to march ahead towards new future, with new dynamics and new vision.

This gathering will bring the ideas together, will bring the commitments together, and will inject dynamism as well as novel vision.

I am confident that we will, together, make a headway towards a prosperous future, a shared future of Asia.

Thank You!

21st Sapru House Lecture by Rt. Hon'ble Prime Minister of Nepal Mr. K.P. Sharma Oli,

Indian Council of World Affairs (ICWA), Sapru House, Barakhamba
Road, New Delhi-110001.
Monday, 22 February 2016

Mr. Chairman,
Excellencies,
Distinguished Members of ICWA,
Scholars,
Ladies and Gentlemen,

I would, first of all, like to thank the Indian Council of World Affairs for inviting me to deliver the 21st Sapru House Lecture. I am pleased to have my name associated with various luminaries who have delivered the Sapru House Lecture and those who will follow the suit. The opportunity accorded to me also manifests the importance the Indian scholars and foreign policy community accord to Nepal.

I have come to New Delhi carrying with me the good wishes of the people of Nepal to the friendly people of India. I have been deeply touched by the warm welcome of our Indian friends.

This is my first travel abroad as the Prime Minister. This is also the first visit by the Prime Minister of Nepal since the promulgation of the new Constitution in the country in September last year.

I would like to begin by sharing my thoughts first on Nepal's political development and then I will move to the second aspect of my speech that is Nepal-India relations.

As you are aware, in the last ten years, Nepal has undergone political transformation of historic proportions. We moved from a unitary monarchical system of governance to a federal democratic polity, which has now been institutionalised by the new Constitution. The country suffered a lot from insurgency during the period 1996-2006, which was subsequently replaced by a

homegrown but internationally supported peace process. Support and solidarity received from people and Government of India in Nepal's peace process needs a special mention here.

The painful transition of eight long years was finally brought to an end on 20th September last year when an elected Constituent Assembly promulgated the new Constitution with near consensus. The promulgation of the new Constitution also culminated the sixty-five years old enterprise of the Nepalese people to write their own constitution. This is a historic achievement. Nepal's successful political transformation could be a good case study for researchers, scholars and political scientists.

The new Constitution embodies hopes and aspirations of all segments of the Nepalese society which is incredibly diverse yet harmonious. Peaceful coexistence has been the defining feature of our way of life. The Constitution that we have today was the best possible outcome of compromise under the prevailing circumstances.

Accommodating diverse aspirations of the Nepalese people in a single document through an open, democratic and transparent process was not an easy task by any standard. We have fulfilled our historic responsibility. Yet, we believe that improvement is always desirable and due adjustment can be made to reflect the genuine concerns of the people in the Constitution, which, in essence, is a living document.

Often it appears to me that the outside world is not fully aware of the contents of the new constitution and the process that was employed in its making. Judgment has at times not been objective.

During the Constitution making process, all members of the Constituent Assembly were involved. It was not promulgated in hurry and without following the due process, as certain quarters tend to believe. We spent years in deliberating on what kind of constitution Nepali people want. The entire international community watched the constitution making process in Nepal with considerable interest. We kept them informed of what we were doing in institutionalising peace and democracy.

The First Constituent Assembly resolved most of the issues and only a limited number of contentious issues were left for the second CA to tackle. The first CA was dissolved when it failed to deliver the constitution within the mandated period of four years. Learning from the past experiences we had to move carefully with a sense of responsibility, as the country couldn't have afforded to witness the failure yet again of an elected house, making the whole democratic process a fiasco.

So, sincere attempts were made from the beginning to take all stakeholders on board. Difficult and contentious issues were resolved only after intense debates and hard compromise. Some groups left the process towards the end of the exercise especially when we entered the decisive phase of compromise. It was unfortunate.

We must frankly admit that no one is happy with all the provisions of the Constitution. Personally speaking, I am also not fully satisfied with it, as some my core issues have not found due place in the new Constitution the way I wanted. Yet, more than 92 percent of the CA members enthusiastically participated during the voting and more than 85 percent of the members voted in favour of the Constitution, ensuring its wider legitimacy. These members represented all segments of Nepali society, communities and regions.

The Constitution guarantees human rights and fundamental freedoms to all citizens without any discrimination. It accommodates almost all rights and freedoms that are contained in the various international human rights instruments. Some of the rights contained in our constitution are not found even in the constitutions of many developed countries. In this sense, our constitution is uniquely progressive and forward-looking.

We felt that there were some misunderstandings about the provisions of citizenship in the new Constitution. The Constitution ensures that all Nepali people have the right to citizenship. The citizenship can be obtained both in the name of mother and father. There is no discrimination aimed at any segments of Nepalese society. Nepal's citizenship regime is quite liberal compared to many other regimes that are in existence including in our region. Our citizenship law does not render anyone stateless. All citizens are treated equally in terms of opportunities and state services. For the past 70 years we have been fighting for justice, equality and democracy. The new Constitution is the culmination of our efforts to firmly

establish these ideals in society and in polity and ensure in the most unequivocal terms possible the end of all forms of discrimination.

Ensuring social justice has been one of the key objectives of the Constitution. It seeks to promote socio-economic justice to the backward and different ethnic communities of the country. State policies are aimed at uplifting the overall status of socially backward women, Dalits, AdibasiJanajatis, Madhesis, Tharus, minorities, persons with disability, marginalised, Muslims, backward classes, gender and sexual minorities, youths, peasants, workers, oppressed or citizens from backward regions, and economically poor Khas Arya. The pillar of social justice is thus firmly embedded in our constitution.

Gender equality is another principal feature underpinning our constitution. Taking into consideration the ethnic diversity of the country and respecting the equal rights of men and women, the constitution provides that the president and vice-president should come from different community and gender. Similar provision applies in the election of speaker and deputy speaker of the House of Representative. This key principle of inclusivity has already been upheld by electing the first female president of the country and the first female speaker of the House of Representatives. These are groundbreaking achievements in the implementation of the new constitution.

In order to promote and safeguard the rights and welfare of the people, the Constitution provides for Human Rights Commission, Women Commission as well as Madhes Commission, Tharu Commission, Muslim Commission as constitutional bodies. These dedicated constitutional commissions reflect our profound commitment to protect and promote the rights of people of different ethnicities and communities. The Constitution has also provided for a Federal Commission to deal with the issues of the demarcation of the provinces.

Early this year, our Legislative Parliament passed the first constitutional amendment bill to address the two key demands of the agitating parties. This is a credible evidence of our commitment to address the genuine concerns of the dissatisfied groups within the framework provided by the Constitution. We are committed to finding an acceptable solution to the remaining issue of demarcation respecting the will of the people and taking into account ground realities. We have already taken initiative towards this end by forming a high level political committee.

These, in my view, are sterling achievements that Nepal has made after a period of prolonged transition and uncertainty. And, we are happy that the international community has warmly welcomed the promulgation of the Constitution and expressed support from for its implementation. Challenges abound but we are determined to pursue the course implementation in good faith.

This political transformation cannot be sustainable if it is not supported by socioeconomic transformation. In the absence of economic development and general prosperity, the goal to create an egalitarian, inclusive and rights based society only becomes an unrealised dream. So, our topmost priority ahead is and should be to achieve economic development. Political stability creates a conducive environment for this.

The world is interconnected and interdependent today. So, the pursuit of economic development calls for collaboration and cooperation in bilateral, sub-regional, regional and global contexts. Individual efforts alone will not be sufficient.

Asia has now become the center of global economy. What pleases us is the phenomenal economic progress India has made. Nepal cannot afford anymore to remain a poor backyard of this thriving Asia. We must be prepared to seize the opportunities that are unfolding in our neighbourhood and make our country a vibrant zone for growth and development. This is possible and achievable. But we are committed to work hard and start working now.

Let me now move to the second aspect of my deliberation: Nepal-India relations. India is our closest neighbour and the most important partner for development and prosperity. We share many things in common, both geographic and cultural. We share history and civilisation. Formal documents and treaties alone cannot capture the essence of our relations which are extensive and multidimensional, permeating every sphere of our life. There are very few countries in the world today whose past as well as future are so closely intertwined with that of each other. So if I have to define our relations in one single term, I call it sovereign fraternity. We have open border has kept our people uniquely close.

True friends stand with you at hard times. When the massive earthquakes hit us in April and May last year, Government and people of India came to help us with promptness and within hours. Help in search, rescue and relief was immediate.

India's pledge for reconstruction support was generous. We are finalising the modality of utilisation of the 1 billion dollar support package.

Foundation of our relations is very strong thus unshakable. This is so because we trust each other and respect each other's sensitivities in a spirit of solidarity and accommodation. Trust fosters understanding and helps build confidence. Confidence generates an environment that is conducive for cooperation and this finally leads to shared prosperity. Respect for the principles of sovereign equality and mutuality benefits is essential to promote healthy and friendly relationship between and among nations.

Occasional differences may appear in any society. This is also true between neighbours. But we must address them in a way that does not undermine the foundation of our relations. Intermittent issues between two countries and governments should not lead us to actions that are unwarranted and impact people's daily lives adversely. Our destiny is so intimately linked that we are bound to be good friends forever. So, strengthening friendship and securing shared prosperity must be our common objective.

Nepal is between two big neighbours and wants to benefit from the enormous progress both are making in economic growth, science and technology, IT and trade. There is no question about aligning with one or the other. We cannot do it and for us it is not a viable policy option. What we see is that India and China are coming closer – be it in ever expanding bilateral trade or in multilateral negotiations on critical global issues like climate change. We see this as an opportunity to forge a productive trilateral partnership for development. This is where Nepal will benefit and so will our two prospering neighbours.

Nepal and India are endowed with resources, both natural and human. What we need is a collective will to sustain enduring partnership to convert resources into wealth for our mutual benefits. Our vision must be informed by the fact that a stable and prosperous Nepal is in the interest of India and the region.

Day before yesterday, I had a very fruitful meeting with Prime Minister NarendraModiji. We covered areas of mutual interest in our discussions. Modiji and I jointly inaugurated the Dhalkebar-Muzzaffarpur transmission line through remote operation. This line allows our two countries to transmit electricity both ways. Now we are facing huge power shortage in Nepal. This new infrastructure

enables us to import power from India. When we will be able to produce surplus power in Nepal the same will be used to export power to India. More such infrastructure has been planned.

Nepal-India cooperation in hydropower is growing. Two mega deals with Indian public and private companies were done in 2014. Negotiations on some more are ongoing. Pancheshwar Multipurpose Project has been planned under G2G partnership. Early start of the Project will be a new milestone. This will serve as model for other large scale joint undertaking. We have signed Power Trade Agreement. Development of Nepal's hydropower will benefit both of us.

Our cultural connections are deep. Pashupatinath and Bishwanath, Janakpur and Ayodhya, Lumbini and Bodhgaya and many more icons of shared civilisation stand for our spiritual bonds. People in large cross the border as pilgrims every year. Such relations are beyond the lines of treaties and agreements. These are eternalShaswat of our fraternity.

Prime Minister Modiji's policy of 'neighbourhood first' has generated high optimism in the region. Nepal fully reciprocate the calls and is committed to contribute greater regional and sub-regional partnership in trade, transit, investment, infrastructure and connectivity.

Nepal-India relations are comprehensive and multidimensional. There are areas where we could have done better and matters we could have managed better. With a view to review our bilateral relations from perspective outside the Government, we have decided to constitute an Eminent Persons' Group. I am hopeful that EPG would soon start its works and within the timeframe it will be able to provide constructive recommendations to help us steer our relations better in the changed context. We want our relations to be forward-looking and progressive.

Finally, I thank you once again for this opportunity to share my thoughts with the learned people gathered here. You are the leaders of society and the intellectual world. You analyze situation and communicate to people. Therefore, I thought it important that I come to talk to you directly and convey to you our perspectives on Nepal-India bilateral relations as well as share with you what Nepali people have been able to achieve in institutionalising peace and democracy, thereby creating a solid foundation for development and prosperity.

I thank you for kind attention.

Annex- 5

Keynote Address by the Rt. Hon'ble Mr. K.P. Sharma Oli, Prime Minister of Nepal, at the Interaction Programme with the Business Community New Delhi, February 22, 2016

Mr. Chairperson,
Presidents and office bearers of Chambers of Commerce and Industries from both India and Nepal,
Members in my delegation,
Senior officials from the Government of India Ladies
and Gentlemen:

I thank the organisers for providing me this opportunity to be amongst the captains of industry and business here in New Delhi and for making excellent arrangements for this meeting.

That I have brought a business delegation with me underscores the importance that I attach to this meeting today. I hope our business delegation will fully utilise the valuable time by engaging their Indian counterparts in explaining business and investment opportunities in Nepal.

I thank the Chief Executive Officer of Nepal Investment Board, Mr. Radhesh Pant, for his excellent presentation on investment opportunities in Nepal. I believe the presentation has been useful and informative for prospective investors present here.

Dear friends,

In Nepal, we have recently accomplished the historical task of constitution making. The longstanding political agenda that hugely occupied us in the past several years is now successfully resolved.

Conclusion of the peace process is now a job done and growth, development and prosperity is an unfinished business. Without development, peace and politics cannot sustain.

There is an overwhelming consensus in Nepal that economic agenda should now be on top priority. There is also consensus that foreign investment is vital.

In a globalised world, strength of economy can only ensure dignity of a nation and its people. Nepal is fully aware of this reality and has accordingly identified economic development as its priority.

To develop, economy must grow and to grow, we need businesses, investment, industries and employment. That is why this opportunity to interact with you is important for me.

Growth can only be achieved when we have investors – both locals and foreign. When it comes to foreign investment, Indian investors are the natural choice.

Our two countries and peoples are close. The private sectors and business communities of the two countries are well known to each other. Nepalese entrepreneurs are reliable business partners.

I have come to tell you that Nepal needs you and has many things to offer.

Nepal is pursuing a liberal economic policy. Government is only a facilitator. Investors are key actors, innovators, entrepreneurs and leaders.

Over the years, we have taken steps to improve and facilitate trade and investment. We have reduced tariffs, simplified tax regimes and focused on the development and operation of trade related infrastructure.

Export and import rules and procedures have been made open and liberal. Trade facilitation measures have been improved. We must emphasise that commerce and connectivity between our two countries must not be affected by other consideration.

Our tax slabs are low. There is no income tax on dividends and export earnings. We exempt tax, duty and fee on the products, machinery, equipment, tools and raw materials used by an export industry.

We have made administrative procedures simple. Our government machinery is easily accessible.

Investment Board has been established to facilitate large scale investments. Board negotiates projects and provides one window services.

Simplified and liberal visa rules apply to investors and their family members. For Indian nationals, visas are not required.

We permit full repatriation of income earned from the investment. The same rule is applicable to reinvestment. Foreign companies registered in Nepal can purchase, own and sell land.

We provide sector-specific incentives of various kinds and scope. Nondiscrimination between Nepalese and Indian investors is our firm policy.

Law ensures that no private industry will be nationalised.

We have planned to set up Special Economic Zones and Industrial Estates in major business hubs of the country. Most of these will be established in the plain land next to Nepal-India border.

Investing within SEZ has multiple benefits that include flexible and investment friendly labour law.

We have concluded Bilateral Investment Promotion and Protection Agreement with India and will take necessary steps to ratify it. Double taxation avoidance agreement has also been signed.

Industrial relations have been improved. Labour law is being reformed.

We have defined private sector as partner for development and are promoting public private partnership, including in large scale infrastructure projects.

Consumer market is growing – domestic and beyond in the rising towns and cities in populous Indian States of Bihar, UP and West Bengal that border Nepal.

Our financial sector is growing. Banks are ready to lend at competitive interest rate.

Workforce is our assets. Latest census shows that the working age population has increased to 57 percent, which is high even from developing country standard. Every year over 500 thousand youths enter into job market.

Labor cost is low and competitive. Literacy rate is high. Skill development is Government's priority. Nepali people are known for hard work and honesty.

Rate of return is high. Talk to manufacturing companies like Dabur Nepal and Unilever as well as telecom operators, banks and insurance companies – how good profit they are making.

Further reform has been planned. Draft policies, bills and regulatory measures are under active consideration.

On top, our strategic location guarantees that access to market is not a problem in short, medium and long term.

Nepal is a least developed country and has benefits of preferential schemes offered by developed and developing countries. Most of our products enjoy zero tariff in developed countries. In WTO, Members -- both developed and developing -- have committed to further expand duty free coverage to products from LDCs like Nepal.

WTO Members have also pledged to offer preferential treatment to services and service suppliers from LDCs. To invest and produce in Nepal means to be able to benefit from these global, regional and bilateral preferential schemes, which are non-reciprocal.

Nepal believes that regional integration has benefits and is actively involved to make SAARC and BIMSTEC processes successful. We are also working closely with India, Bangladesh and Bhutan to improve trade, transit, connectivity and cooperation in energy at sub-regional level.

The paradigm of trade and investment in the 21st century is shifting. Economies are integrating and production is disintegrating. Value chains are on the rise. This means there is more reason now for producers of two countries to link up.

India's progress is inspiring – in business, technology, IT, infrastructure and so on. You are a fast growing big economy. As a close neighbour, we want to benefit from your success. Prime Minister Modiji has rightly said 'sabkaasaath, sabkaabikaas'. India is our major partner in trade and development.

Our cross border infrastructures are improving. Railway connectivity is being established at 5 different points and modern integrated check posts at 4 places.

Cross border roads are being improved. Bilateral Motor Vehicle Agreement has been signed between the two countries to make movement easy.

Our doors are open for investment in almost every sector. These include manufacturing, hydropower, tourism, services, IT, mining and agro based industries.

Hydropower could be a prime choice. 7000 rivers and rivulets in Nepal have massive power generation capacity. Solar and biomass have also good possibility. We have already reached two big hydropower deals with Indian companies (Upper Karnali and Arun III). More are in the pipeline.

We have signed Power Trade Agreement with India. I have been informed that Government of India is reviewing its policy and regulation to ensure that our private power developers have access to huge Indian power market. This is of course a good news.

Transmission infrastructure is being strengthened. Prime Minister Modi and I inaugurated just the other day the first double circuit cross border transmission line between us. Several such transmission infrastructures have been planned. Tourism is an attractive sector for investors in Nepal. We are gifted with beauty of nature and treasures of culture and civilisation, in which we are closely linked with India.

Over the years, tourists from India are increasing – as pilgrims, vacationers and business delegations. It's an opportunity to invest in facilities to cater to this growing number. Infrastructure is key. We are developing regional international airports at two prime touristic hubs of Pokhara and Lumbini.

Our vision is to build Nepal a modern, prosperous and just country. We plan to graduate into a developing country by 2022. For this, we need massive investment in human resources, institutions and infrastructures to bring about economic transformation.

We want to overcome the vicious circle of poverty and underdevelopment. Government alone has limited capacity and resources. We invite the private sector, domestic and foreign, to invest resources, produce goods and services and create jobs.

My Government is committed to reform policies and expect private sector's willingness to invest.

My Government will extend all needful support to facilitate your investment in Nepal.

Our common future lies in our shared prosperity. We are bound to be good friends forever. There is no alternative to cooperate and collaborate for mutual benefits. I thank you for patience. This has been a long event.

Thank you!

Inaugural address by the Rt. Hon'ble Prime Minister Mr. K.P. Sharma Oli at the Thirty-Seventh Meeting of the SAARC Council Ministers in Pokhara on March 17, 2016.

Foreign/External Affairs Ministers from SAARC countries,
My Cabinet Colleagues,
His Excellency SAARC Secretary General,
Distinguished Delegates,
Excellencies, Friends
from Media Ladies and
Gentlemen:

- It gives me great pleasure to address the inaugural segment of the Thirty-Seventh Session of the SAARC Council of Ministers in Pokhara, a city well known for beautiful lakes, spectacular landscape, magnificent mountains and hospitable people.
- I wish to extend a very warm welcome to all of you in this city. I hope delegates have found a moment out of their hectic business session to go around the city and enjoy its scenic beauty. I believe your stay in Pokhara will certainly remain memorable.

Excellencies and distinguished delegates,

- South Asia is one of the most dynamic regions in the world. A region of labourious men and women, a region with rich cultural heritage, a region of economic potentials, a region of opportunities and a region of hope; South Asia, with its great civilisation, bears the potential to inspire the common humanity. Now the history has bestowed, our generation and the generations to come, to uphold that civilisational legacy of South Asia, to materialise that potential and to uphold the welfare of South Asian brothers and sisters.
- As we observe today, South Asia is emerging as the potential global economic power house. It is imperative that we build on this economic progress and its associated positive synergies and complementarities to promote enhanced cooperation in line with the objectives of the SAARC.

- However a common enemy to South Asia looms around. An enemy that is draining our potentials, an enemy that is ridiculing our collective efforts, an enemy that is threatening the whole of South Asia and an enemy that is testing our abilities and intentions. And the enemy is real, pervasive and stubborn. We need to work together to conquer this enemy. We need to intensify our cooperation to wipe out the very traces of this enemy. We need to act collectively to annihilate this common enemy.
- The enemy called poverty, the enemy called backwardness. At any cost we cannot afford this enemy to win. We see no reason for South Asia to be at the downside of development landscape. The cooperation is, thus not a luxury.
- It is a fundamental necessity to conquer the enemy- poverty and backwardness. And we have the capacity and resources to do so. What we need is the political will of highest order to cooperate and to collaborate in a spirit of enduring partnership.
- It goes without saying that our increased understanding, our flexibility and our collaboration will contribute to create a positive atmosphere. A positive atmosphere for meaningful cooperation, a positive atmosphere for deeper integration, a positive atmosphere to bring the structural transformation to South Asia. A positive atmosphere to breathe life into the dream of prosperous and connected South Asia. And we need to invest our resources, invest our hard-work, and invest our passion to build that atmosphere. We need to invest on the core economic areas; and Build a bastion upon which the connected South Asia will rest with dignity that it deserves.

Excellencies and distinguished delegates,

- Connectivity remains a key enabler for robust regional cooperation. Connectivity of infrastructures as well as of ideas, connectivity in terms of information and telecommunication technology as well as of knowledge, connectivity in terms of energy as well as of literature and culture, connectivity of markets as well as of minds can indeed unleash the potential of South Asian cooperation. It can promote meaningful cooperation in trade and investment, in tourism, in finance, and in energy with multiplier effects.

- The dream of prosperous South Asia cannot survive without the lifeline of connectivity. The edifice of dynamic South Asia cannot thrive without the foundation of connectivity. The architecture of South Asian cooperation cannot stand upright without the pedestal of connectivity.
- Remember, Ladies and Gentlemen, Cooperation is not a luxury. And Connectivity is not a luxury either.
- We need to set our priorities right and we need to act now. Act decisively. Act more loudly than our words, act more intensely than our intentions. And we need to act collectively, for our benefit; for our collective benefit.
- To realise the vision of developed South Asia, We need to vitalise the engine of economic prosperity. The engine called trade. It is unfortunate to note that we trade little within the region. Faster progress in SAFTA and SATIS is the need of the hour. In the absence of such doable core instruments, the vision of South Asia Economic Union will merely remain a distant dream.
- Our vision needs to be matched by commitments and commitments by deeds, by actions. Yes, the time has come-to act now, and to act decisively.
- When world today is going through unprecedented waves of globalisation, South Asia cannot be a bystander to the happenings of world. SAARC must revitalise itself to be an important player in the global politics. We need to strengthen our collaboration and intensify our interactions with other international and regional organisations; with organisations that share similar goal for the prosperity of common humanity.
- Our region has been bearing the heavy brunt of unprecedented blow of natural calamities. Calamities such as earthquakes and floods have caused colossal loss. And, we have been bearing the adverse and disproportionate consequences of climate change. We experienced enormous devastation in the wake of recent earthquakes all across the region; including that of the Earthquake in Nepal in April last year.
- This calls for collective preparedness, collective responsiveness and collective collaboration. Preparedness to prevent the perils of such calamities;

responsiveness to deal with destruction of such disasters and, collaboration to mitigate the menace of climate change.

Excellencies, distinguished delegates,

- The SAARC Charter has kept people at the centre of regional cooperation. It has envisioned people-centric regional actions. SAARC cannot be a success story unless the quality of life of our people gets ameliorated. SAARC needs to bring the rays of hopes and incidence of improvement upon the people living in privation. The people who have been living in destitute and backwardness, the people who have been bearing the brunt of deprivation, must be the priority on our agendas and as well as (on our) actions. SAARC must be established as the region where women are safe, where children are secure, and where they will live with dignity, with freedom from fear.
- SAARC, the association, cannot be a success story unless we lift our people out of poverty and deprivation.
- South Asia, the idea, cannot be a success story unless we feed well the curious minds of South Asians, unless we equip well their dexterous hands and unless we nourish well their creative aspirations.
- South Asia, the future, cannot be a success story unless we invest in our youths. Our cooperation must work to stimulate the creation of jobs for our youths. We should strive to best utilise the dexterity of these youths, strive to retain their energy. We need to invest in the productive sectors. Sectors which are essential to halt the exodus of youths and enable to make them contribute for better and developed South Asia.
- South Asia, the dream, cannot be a success story unless all the South Asians get the opportunity to enrich their motherland with their energy and aspirations.
- Standing on the citadel of successful South Asia, successful SAARC, we will ultimately fortify the common South Asian identity. We will uphold our existing commonalities, our shared beliefs, our shared heritage and our shared history.
- South Asia, despite, being Well-endowed with resources, with promising potentials, still lags behind in overall development. The development

performance is dismal if not discouraging. But we have the strength and potentials to develop a sustainable and accomplished economy; to utilise our innovative south Asians to develop the modern technology; and to be the global economic powerhouse.

- The whole world is closely and constantly watching our strength and potentials. Watching our efforts as well as our aspirations. Watching our performance as well as our promises. Watching with good will as well as with curiosity.
- Ladies and Gentlemen; we need to move forward with clear vision and strong resolve to exalt the dignity of South Asia. To promote better economic prospects for our people. And to enable South Asia to lead the forefront of global affairs.
- We need to act now, and act collectively. We need to respond with our collective wisdom to conceive a Success Story of South Asia, the region; South Asia, the idea; South Asia, the future and South Asia, the dream.
- With all the enthusiasm and optimism, it is my understanding that this ministerial meeting will mainly focus on review, of the implementation of the decisions contained in the Kathmandu Declaration 2014 and will work out agendas for consideration at the Nineteenth Summit to be held in Pakistan in November this year.
- I have no doubt that you will be able to take concrete decisions to advance the SAARC process forward in line with the spirit of the 18th SAARC Summit- Deeper Integration for Peace and Prosperity. I wish to commend the excellent works done by various SAARC mechanisms.

Excellencies and distinguished delegates,

- As the devastating earthquake struck Nepal on 25th of April last year and several aftershocks augmented the disaster, the spontaneous and generous support from our South Asian friends solaced us on that difficult hour of tragedy. I take the opportunity to convey my sincere appreciation to all SAARC Member States for support and assistance extended to my country. The support provided was indeed a manifestation of South Asian solidarity and functional cooperation. The moment demonstrated once again that we, the South Asians are always united and care about each other when in difficulty and distress. Our country is now

engaged in the vital task of reconstruction of the damaged structures so as to build better and develop our long-term resilience.

- Before I conclude, I would like to speak briefly on the current political situation in the country. Nepal ushered into a new era in its political and constitutional history. We promulgated a democratic and inclusive constitution through the Constituent Assembly elected by the people of Nepal.
- The new constitution has embraced the system of inclusive governance, embraced the value of democratic pluralism, embraced the rule of law, embraced the respect for human rights. It has done so in line with the aspirations of diverse communities in the country. The promulgation of the constitution together with its first amendment thereafter has brought the protracted peace process and political transition to a logical conclusion. Nepal would like to express sincere appreciation to all SAARC fellow member states for their continued support to, and solidarity with, the people of Nepal in realising this vital national objective.
- Our priority has now been directed towards achieving accelerated socio-economic transformation in the country. It is our firm conviction that a peaceful Nepal, a stable Nepal, a democratic and prosperous Nepal will also be in the interest of our region.
- To conclude, Excellencies and distinguished delegates, as the current Chair of SAARC, I would like to express sincere appreciation to all Member States for the cooperation extended to Nepal in discharge of its duties, following the assumption of the Chairmanship in the last Summit. I would like to reiterate Nepal's full commitment to the ideals, principles and objectives of the Organisation for the continued progress, prosperity and wellbeing of the people of our region. I call upon all Member States to keep the SAARC spirit alive for the betterment of our people; and for the enrichment of our South Asian identity.
- I wish for your productive deliberations and look forward to the fruitful outcome of the meeting.
- Wishing all the delegates a pleasant stay in Nepal,

I thank you very much!

Speech by the Hon'ble Mr. Kamal Thapa, Deputy Prime Minister and Minister of Foreign Affairs at an Interaction programme "Post-Constitution Diplomatic Development" Organised by Tribhuvan University Central Department of International Relations and Diplomacy 16 February 2016

Mr. Khadga K C, Programme Coordinator
Eminent Persons, Professors, Academicians and Students
Friends from Media Ladies and Gentlemen:

It gives me immense pleasure to participate in this Interaction programme on Post-Constitution Diplomatic Development and share a few words on Nepal's Foreign Policy. I would like to express my sincere thanks to Mr K C and his team in International Relations Department of Tribhuvan University for organising such an important event. I am sure that intellectual deliberations like this provide valuable suggestions to policy makers in formulating policies.

Before entering into the real topic of today's deliberation, I would like to venture to speak a few words about foreign policy, the change and continuity, and determining factors of foreign policy, which I am afraid are subject matters of intellectuals rather than of politicians.

My remarks on this topic today may be naïve in front of intellectuals, academicians and eminent persons present here.

Ladies and Gentlemen,

In its simplest term, foreign policy is a course of action adopted by a nation in regards to its diplomatic dealings with other countries. It determines the behavior of a nation by providing guiding principles towards attaining the national objectives of a country through its outward connection. A nation's foreign policy gives the holistic picture of the country's ambition in the world affairs. It helps the nation to find its niche in the global order. It is thoughtfully taken out strategy for preservation and promotion of national interest, hence can be said expansion of domestic policies of any nation. Unlike some other state policies, which may reflect the opinion and position of particular group or groups in the government, the

foreign policy demands national consensus or at least wider support from different segments of society. In relative terms, it does not change along with the changes of the governments. Nor does it change with the whim of a political leader. It does not have that leverage.

It is so because the national interest, the preservation and promotion of which is the central aspect of the foreign policy, tends to be static over a long period of time. Moreover the major determining factors of foreign policy of a country, such as size, geography or geopolitical realities, history, social structure, culture, climate, language are mostly unchangeable.

It is so, too, because the changes in foreign policy without sufficient reason and cautious thoughts may invite undesirable results, which the state cannot take risk. The future effect of the changes in foreign policy can hardly be assumed. They may produce the results entirely different than perceived. So it seems safer to follow status quo than to opt for unsure changes. Thus the change factor in foreign policy is found to carry less weight than the stability factor. Before making any changes the need for that as well as its future impact should be taken into consideration carefully.

Although, in recent time, the rapid development in technology, especially information technology, economy and other factors of society has put the policy makers in tremendous pressure for making timely changes in state policies so that the state can cope with the speed of sciences, the foreign policy still tend to be slow-changing. And, it seems to me that this trend will continue to prevail for some time to come or at least until the time as long as the present compartmentalised system of nation state remain relevant in international politics.

Thus, in essence, the foreign policy, by nature, tends to be static or slow-changing taking a longer period of time. By saying these, I am not obviously negating or discarding any possibilities of change in the foreign policy. But what I would like to simply imply is that the changes in foreign policy need to be made only after very careful considerations and should be made only when it is fundamentally necessary. The changes take a longer period to occur. And, even if the changes occur, they do not occur in their entirety; rather, they take place on incremental basis. This preference of stability over change is not much different in the context of Nepalese foreign policy than in the context of practices of other countries.

Ladies and Gentlemen,

The history of the foreign policy of modern Nepal can be traced back to the point when Nepal was unified. And, the comparison of Nepal with the yam between the two boulders, (propounded by Prithvi Narayan Shah, the founder of modern Nepal), which was so vital in shaping our foreign policy in the then context, is still perfectly relevant in the present context. Our geopolitical realities have not changed since then. In these two hundred years, promoting balanced relations with both our neighbours has always remained fundamental aspect of our foreign policy. Safeguarding sovereignty, independence, and territorial integrity have always been key concern of our foreign policy, although there might have been applied different strategies to attain this objective in different times, according to the need of that particular time. For example, the strategies adopted in the years after the unification were of one kind. The strategies adopted then were to suit the necessity of unification. Then the Rana's strategies were focused on safeguarding the country from increasing colonial power. Similarly, the foreign policy strategies in different periods of time after the democracy in 1950 might have been different: concentrated promoting Nepal's identity and interest in international arena. The major thrust of the Nepalese foreign policy in all these periods, however, has remained the same, that is the preservation and promotion of national interest.

Thus the Nepalese foreign policy for last 200 years, despite so many political changes, have little changed. It has always been focused on safeguarding the national interest – mainly, sovereignty, independence and territorial integrity – chiefly necessitated by the geopolitical reality of the country. Moreover, if we look at the constitutional guideline of foreign policy provided in different constitutions of Nepal from 1950 up to now, whether it be the Interim Government of Nepal Act 1951 or the Constitution of Nepal 1959, or it be the constitution of 1962, 1990 or the Interim Constitution of 2007, we'll find very little changes when it comes to foreign policy. In some cases the wordings on foreign policy are almost identical.

The present constitution is the first constitution adopted by the Constituent Assembly, by directly elected representatives of the people. The articles of the constitution were deliberated for almost eight years. Therefore, while the major provisions on foreign policy remain the same, there are a couple of changes.

The newly promulgated constitution provides that the international relations of Nepal shall be directed towards the protection of national interest by maintaining

international relations on the basis of sovereign equality. Safeguarding the freedom, sovereignty, territorial integrity, independence and national interest remain to be the core concept of Nepalese foreign policy. And the Charter of the United Nations, non-alignment, the principle of Panchasheel, international law and the values of world peace remain to be the basis of our foreign policy. This constitution for the first time has defined the national interest. Safeguarding the independence, sovereignty, territorial integrity, nationality, freedom, dignity of Nepal and of the rights of the Nepalese people, border security, economic wellbeing and prosperity have been defined as the fundamental tenets of the foreign policy. Another important provision related to foreign policy added in this constitution is the provision of reviewing past treaties and concluding treaties on the basis of equality and mutual benefit. Safeguarding the national interest remains the core concept in this constitution too.

Ladies and Gentlemen,

Now let me briefly touch upon the foreign policy orientation of the new Government.

You all know that when this government was formed, we were really in an awkward situation. Despite the promulgation of a truly democratic and inclusive constitution with such an overwhelming majority of the Constituent Assembly and with such enthusiasm of the Nepalese people, our constitution received a very cold response from our southern neighbour, and we had to face a serious disruption of supplies by the Indian side at Nepal-India border check-points. Serious mistrust and misunderstanding had been created between the two countries for no obvious reason. Therefore, the first priority of the newly formed government was to clear the environment of mistrust and misunderstanding between us and take our relations back to the normal and friendly status as it used to be. To normalise the situation, twice I visited India and had series of serious discussions with Prime Minister, Shri Narendra Modi ji, my counterpart, Sushma ji, and other high-level political leadership.

And, you know the recent developments themselves witness that the government has passed this test. India has welcomed the amendment of the constitution. The obstruction in the supply situation has been cleared. Bilateral meetings at different levels have begun to take place. And, you are aware that Prime Minister of Nepal is visiting India later this week.

Another important achievement received in our relations with India after the formation of the present government is that we have identified eminent persons to sit in the Eminent Persons Group, which was established according to the understanding between Nepal and India during the last meeting of Joint Commission with a view to elevate the existing relations between the two countries to a new height. I am sure that India will announce the eminent persons soon and this Eminent Persons Group will commence its work for recommending the measures needed to be taken up by both the countries to build mutual trust and better social, economic, cultural and political ties, as envisaged.

With our northern neighbor China too, the government has made serious efforts to strengthen relations based on goodwill, understanding and mutual benefit. I would like to recall my official visit to China in December, during which I had very fruitful discussions with the Foreign Minister, Vice President and other high-ranking dignitaries of China. I am pleased to share that during the meeting we were able to identify the broad areas of cooperation, such as trade, transit, connectivity, tourism, investment, infrastructure development and such like on the basis of which our relations can be further strengthened and taken to a newer height.

Thus both with India and China, understanding has been developed for the longterm economic relations based on mutual benefits. Similarly, the government is also committed to develop and consolidate relations with all other friends.

The government is fully committed to further strengthen Nepal's relations with neighbouring countries and all other friendly countries on the basis of the principles of the Charter of the United Nations, non-alignment, the principle of Panchasheel, international law and the values of world peace. We pursue the policy of friendship with all and enmity with none.

I still recall my meeting with Secretary of State and other dignitaries of the United Kingdom during my visit to London two months back to participate in the bicentenary celebration of the establishment of the official relations. I met with Secretary of State Phillip Hammond, Secretary of Law Desmond Swine, Minister for State Hugo Swire and other high-level politicians and had very fruitful discussions on entire gamut of our relations. Similar other visits at different levels are being worked out. This year we are celebrating 60th anniversary of our diplomatic relations with Japan and Russia. The Government will continue its active engagement with the international community in the days ahead.

Nepal continues to give high importance to the role of the United Nations in the maintenance of international peace and security through peacekeeping missions. We remain steadfast in our commitment to support the UN through this flagship activity. We continue to attach unflinching commitment to the fundamental freedoms and human rights. Likewise, we continue to strongly condemn terrorism in all its forms and manifestations. Nepal will actively work with international community in advancing global development agenda, taking into account the special needs and concerns of LDCs and LLDCs.

Nepal is actively engaged in promoting regional cooperation under SAARC and BIMSTEC as the current Chair of these regional organisations. I would like to share with you that Nepal is going to host SAARC Council of Minister's Meeting in March. Nepal is also committed to be active in other regional organisations and forums, including Shanghai Cooperation Organisation (SCO) as dialogue partner. Next month, we are becoming the member of Asian Cooperation Dialogue (ACD).

Development diplomacy is an important aspect of Nepal's foreign policy. We have set a goal of graduating from LDC status by 2022. We remain fully committed to expanding economic and commercial relations with all countries for mutual benefits. We will revitalise our bilateral, regional and multilateral presence towards these ends.

The strengthening of the foreign ministry and our missions abroad and the appointment of ambassadors in vacant places fall in the priority of the government.

Ladies and Gentleman,

As I already mentioned earlier that the foreign policy, the fundamental objective of which is to protect and promote national interest, demands national consensus. It is possible only when we all – the government, political parties, the intellectuals and academicians – think the nation first, rise above petty interest and have farsighted views on fundamental foreign policy issues. I am sure that today's deliberation will guide us towards that direction. Once again, I would like to express my sincere thanks to the organisers.

Thank you.

Opening Statement by the Hon'ble Deputy Prime Minister and Minister for Foreign Affairs Mr. Kamal Thapa at 23rd Session of Universal Periodic Review (Geneva, 4 November 2015)

Mr. President

Excellencies and representatives from member states and observers Ladies and Gentlemen

I would like to begin by extending the warm greetings from the people and the Government of Nepal. I feel proud to share with you about the recent promulgation of our new constitution. This marks the conclusion of the peace process initiated in 2006. A new journey towards peace, stability and prosperity has now begun.

It is a great honour and privilege for me to present Nepal's second UPR report to this august session. My delegation is pleased to have this opportunity to present this report on Nepal's efforts towards fulfilling its international obligations and commitments on the issues of human rights, update the status of implementation of the recommendations that we accepted under the first UPR cycle, highlight our achievements, and share what remains to be done as well as the challenges and constraints we confront with. We look forward to having a productive interactive dialogue with the member states on these issues.

My delegation includes the Ambassador and Permanent Representative of the Permanent Mission of Nepal to the UN in Geneva, Secretaries of relevant Ministries and other Senior Officials from different agencies responsible for the formulation of human rights policies and implementation of human rights obligations.

Mr. President,

The new democratic and inclusive constitution was promulgated in Nepal on 20 September 2015 through the Constituent Assembly elected by the people in November 2013. With it, the long-cherished aspiration of the people to have a constitution written by their own representatives has been fulfilled. It has been made possible by the rigorous democratic exercises spanning over eight years conducted in an inclusive, transparent and participatory manner giving due consideration to Nepal's vast diversity.

The promulgation of the new constitution marks the conclusion of the peace process as well as the historic political transition in Nepal. It has also institutionalised the federal democratic system of governance in the country, paving the way for political stability, sustainable peace and economic prosperity. It also significantly ensures inclusive democracy, pluralism, the rule of law, the democratic values of governance, representative and accountable government, social and economic justice and universally accepted human rights.

The new constitution guarantees substantive equality, and promotes human dignity, identity, and opportunity for all by ending all forms of discrimination and inequalities. This fundamental law of the land safeguards every right of persons, groups and communities, embracing multi-ethnic, multi-lingual, multi-cultural and diverse geographical specificities. It further aims to create an egalitarian society on the basis of the principles of proportional inclusion and participation, to ensure equitable economic opportunities, shared prosperity and social justice by ending discriminations related to class, ethnicity, region, language, religion and gender. For this, the proportional electoral system, inclusive representation of marginalised and disadvantaged communities in all State organs, positive discrimination and special provisions with regard to rights of women, Dalits, Madhesis, Indigenous people, Tharus, Muslims, Persons with Disabilities, and minorities have been guaranteed in the Constitution.

The constitution has ambitiously broadened the scope of fundamental rights by ensuring a wide range of economic, social and cultural rights, including right to employment, right to food, right to housing, right of social justice, right of consumers and so on. Similarly, the directive principles of the constitution provide a framework for progressive realisation of socio-economic rights and guidance for the successive governments to shape relevant laws and policies in line with those principles. In nutshell the constitution fully catches the spirit of universally accepted human rights and ensures their promotion and protection.

The new constitution has been significantly progressive in eliminating genderbased discrimination as well as empowering women through enhanced representation. It has ensured at least one-third representation of women in the Federal Parliament as well as the State Assembly and at least 40% representation of women at the lowest local level (Ward Committee). It has provisions for either Speaker or Deputy Speaker of the both Houses to be women, and also ensures right to lineage, right against all forms of exploitation, equal rights in the family matters

and property, among others. The constitution has similar provisions for President and Vice-President ensuring that the two positions are held by persons of different sex or community. I wish to share with this august gathering that both the newly elected Speaker of the Parliament and President of the country are women. These historic elections have well reflected the spirit of the new inclusive constitution. Similarly, with a view to ensuring further inclusivity and empowerment of every community in society, the constitution has established and further strengthened various Commissions as independent constitutional bodies such as the National Women Commission, National Dalit Commission, National Inclusion Commission, Indigenous people and Nationalities Commission, Madhesi Commission, Tharu Commission, and Muslim Commission.

The Government is committed to building on the solid foundation laid by the new constitution for the continued promotion and protection of human rights with necessary legal, institutional and administrative mechanisms. The formation and operationalisation of the Truth and Reconciliation Commission as well as Commission on Enforced Disappearances also reflects the Government's commitment to addressing the serious violation of human rights committed during the period of conflict, ending impunity and providing justice to victims as well as promoting sustainable peace, harmony and reconciliation in society based on the ground reality.

The independent and competent judiciary constantly defends and advances human rights agenda in the country including through judicial pronouncements and verdicts. The vibrant and free media, active civil society as well as the evergrowing awareness and consciousness of the general people about their rights continue to strengthen the human rights environment in the country.

Moreover, the National Human Rights Commission (NHRC) assumes central role in the protection and promotion of human rights with responsibility for independent investigation into all human rights violations as well as for overall monitoring of the human rights situation.

Mr. President,

In the last four years after the first UPR, the country has been able to accomplish many significant progresses in the overall human rights situation in the country. The basic elements of the rule of law and human rights are being incorporated into the

periodic development plans. The rights-based approach has become an important consideration in every aspect of national life. By formulating an Action Plan on the implementation of UPR recommendations received in 2011, we have set stage for more effective outcomes of important human rights issues with significant monitorable progress.

The major accomplishments, the conclusion of the peace process and historic political transition in particular, have been nationally driven. The country's experience in the democratic exercise and collaboration on the overall interest of the country during the peace process and political transition has been quite important and unique. While the prolonged political transition posed, at times, serious threats to the democratic norms and values, the rule of law, and enhanced the possibility of impunity particularly with the blurred distinction between criminal acts and political activities, it has also been an enlightening experience to guide further course of action. It is during this process that we realised the importance of compromise and flexibility to move forward from a context like ours, characterised by diversity and divergent views. The endogenous homegrown process that we pursued has proved to be an effective vehicle to arrive at a broader consensus on all critical issues, including the political system and governance. We are confident of our ability to resolve any conflicting issue with our own efforts and through peaceful means. Any disruption of this process as well as internal dynamics through any exogenous interest will only complicate matters.

It is with this conviction that the new Government is engaged in dialogue with the Madhesh-based political parties to win their confidence and resolve the differences within the constitutional framework. While the Government is quite serious and sensitive to their concerns, the nature and effects of continued agitation have been detrimental to our national interest and the overall wellbeing of the people.

In fact, we are currently at a very delicate situation resulting from the obstruction of essential supplies at the border points. Lives and livelihood of the entire population have been adversely affected; schools and hospitals also bear the brunt of the current circumstances exposing millions of children, elderly and sick persons to greater risk and vulnerabilities; the future of our children is at stake; our regional and international trade have been constrained; our industries are on the verge of collapse; the tourism sector has been hit hard; our economy has suffered a huge setback. If the current trend is not checked, the country is likely to experience an

unjust and severe humanitarian crisis. This needs to be avoided. While we seek to address political problem through dialogue, the continuous obstructions at border points under any pretext has severely impeded the exercise of rights and freedom that Nepal is entitled under the international law as a land-locked country. As a Least developed country that has emerged from a decade-long armed conflict followed by a protracted political transition and is just taking steps forward on a path of recovery and reconstruction with the support of the international community in the aftermath of the devastating earthquakes, the challenges and pressures besetting the nation and people at present are immensely painful.

Nevertheless, we are quite optimistic in view of our ability and competence to resolve our differences on our own for the national interest of the country. The present Government has already begun the process of dialogue and is confident of arriving at a mutually acceptable solution soon. Like many other democratic constitutions, the Constitution of Nepal is also a living and dynamic document that can be amended in accordance with the needs and aspirations of the people. It is flexible enough to adequately address the new context the nation faces through timely amendment.

We, the people of Nepal, are increasingly getting used to the significance and necessity of the democratic norms, rules and processes to resolve differences without undermining social harmony and cohesion that have been the defining features of our diverse society.

Mr. President,

The fundamental goal of the new Government, elected a few weeks back, is to effectively implement the new constitution by removing the structural and functional obstacles and challenges in the way of socio-economic transformation of the country. The Government has started to take necessary measures to formulate necessary legislative and policy tools needed for the smooth operationalisation of the constitution. As the country ushers in a new era, we are also keen to give further momentum to our economic development agenda. Despite the huge devastation and setback caused by the recent earthquakes, Nepal will continue to pursue the goal of graduation from the LDC status by 2022, and becoming a middle income country by 2030.

I would like to express the Government's commitment to keep up the spirit generated by the new constitution in advancing the cause of human rights.

Mr. President,

Despite consistent efforts in the promotion and protection of human rights, Nepal continues to confront challenges in meeting some of the desired targets and fulfilling obligations. Paucity of resources, land-locked situation, low level of economic development, rampant poverty, deprivation of basic needs and amenities, low level of education, among others, have adversely affected the implementation of action plans on human rights. Moreover, the prolonged political transition had also left negative impacts on creating conducive environment required for the promotion of human rights in the country. As the political transition has come to an end with the promulgation of the new constitution, the country is in a position to undertake further steps forward for the effective realisation of all human rights by all with adequate support from the international community.

We stress the importance of strict adherence to the principles of universality, objectivity and non-selectivity by all human rights mechanisms under the United Nations. As democracy, development, peace, security and human rights are interdependent, they call for a holistic approach to address the human rights issues. The efforts of the international community must, therefore, be geared towards creating an environment for the enjoyment of all human rights, including civil and political rights; social, cultural and economic rights; and the right to development. For a country like Nepal, the enjoyment of the right to development will have significant impact on the promotion of other rights. It is in this context that we attach huge importance to the effective and balanced implementation of the 2030 Agenda for Sustainable Development adopted by the world leaders in September this year. The transformative ambition of the 2030 Agenda along with its focus, among others, on peace, equality and freedom offers a new hope and opportunity for the enjoyment of human rights by all.

Mr. President,

To conclude, I would like to reiterate our total and unflinching commitment to the promotion and protection of human rights. There is a greater awareness and positive outlook in the country among both the state and non-state actors about the value of human rights. As I also consider the UPR as an opportunity to learn

from others, I look forward to receiving your valuable inputs during your constructive engagement in the interactive dialogue. I am confident that with the greater understanding and support of the international community Nepal will continue to make significant progress in the days ahead.

I thank you for your kind attention.

Annex - 9

**Funds received through the Nepalese Embassies/Consulates
General for Prime Minister's Relief Fund**

(as of November 30, 2015)

S. N.	Name	Amount in Foreign Currencies	Equivalent Amount in Rupees (Approximate)
1.	Seoul	USD 1,546,749.32	Rs. 15,77,68,430.64
2.	Beijing	CNY 8,665,134.17	Rs. 14,24,87,560.80
3.	Tokyo	JPY 617,986,512	Rs. 49,71,69,530.91
4.	Tel Aviv	USD 12,277 & ILS 70,999.41	Rs. 30,69,516.60
5.	Dhaka	BDT 42,062,575 (USD 542,812.94)	Rs. 5,53,66,919.88
6.	Geneva	CHF 35,622	Rs. 37,84,837.50
7.	Bangkok	USD 3,654,535.31 (including contributions from the Governments of Thailand, Cambodia and Lao PDR)	Rs. 37,18,57,778.06
8.	Kuwait	KWD 58,438	Rs. 1,96,74,652
9.	New Delhi	INR 12,54,47,000 (including contribution from the Government of Brunei Darussalam)	Rs. 20,07,15,200
10.	Brasilia	USD 13,732.75	Rs. 14,00,740.50
11.	Doha	QAR 303,517	Rs. 83,98,451
12.	Hong Kong	HKD 1,504,742.68	Rs. 1,98,62,603.80
13.	Pretoria	USD 90,109.43	Rs. 91,91,161.86
14.	Kuala Lumpur	USD 533,947.26	Rs. 5,55,30,515.04
15.	Kolkata	INR 1,73,57,474.33	Rs. 2,77,71,958.93
16.	Abu Dhabi	--	Rs. 37,61,175
17.	Canberra	AUD 35,000 & USD 137,482.20	Rs. 1,71,93,388.37
18.	Muscat	OMR 42,112.40	Rs. 1,10,33,448

19.	Lhasa	CNY 1,248,905	Rs. 2,04,17,053.06
20.	London	GBP 326,232.03	Rs. 5,24,18,463.09
21.	Riyadh	SAR 237,326	Rs. 64,21,137.20
22.	Islamabad	--	Rs. 55,43,483.40
23.	Moscow	RUB 648,952 (USD 12,724)	Rs. 12,97,848
24.	Copenhagen	DKK15,497.95	Rs. 2,63,465.14
25.	Paris	EUR 31,510	Rs. 36,60,330.81
26.	Ottawa	CAD 84,103.03	Rs. 68,77,902.15
27.	Manama	--	Rs. 42,03,462.46
28.	Berlin	EUR 23,373.91	Rs. 26,32,136
29.	Yangon	USD 52,590.46	Rs. 52,62,157.02
30.	Brussels	EUR 19,105.52	Rs. 21,18,037.95
31.	Cairo	US\$ 5,413.10	Rs. 5,56,700
32.	Colombo	USD 23,003.03	Rs. 23,44,008.76
33.	New York	USD 223,513.51	Rs. 2,32,71,778.02
34.	Washington DC	USD 800,000	Rs. 8,08,80,000
35.	Manila (Hon'ble Consulate of Nepal)	USD 9,845.09	Rs. 10,10,303.14

Total Rs. 1,82,52,16,126.09

List of Countries having Diplomatic Relations with Nepal

1	United Kingdom	1816
2	USA	25-Apr-1947
3	India	13-Jun-1947
4	France	20-Apr-1949
5	PR of China	01-Aug-1955
6	Russian Federation	20-Jul-1956
7	Japan	01-Sep-1956
8	Sri Lanka	01-Jul-1957
9	Egypt	16-Jul-1957
10	FR of Germany	04-Apr-1958
11	Austria	15-Aug-1959
12	Italy	31-Aug-1959
13	Serbia	07-Oct-1959
14	Switzerland	10-Nov-1959
15	Poland	25-Nov-1959
16	Malaysia	01-Jan-1960
17	Philippines	12-Feb-1960
18	Australia	15-Feb-1960
19	Myanmar (Burma)	19-Mar-1960
20	Pakistan	20-Mar-1960
21	Netherlands	02-Apr-1960
22	Laos	20-May-1960
23	Israel	01-Jun-1960
24	Sweden	10-Jun-1960
25	Thailand	30-Nov-1960
26	Indonesia	25-Dec-1960
27	Mongolia	05-Jan-1961
28	Hungary	15-Jan-1961
29	New Zealand	May-1961

30	Afghanistan	01-Jul-1961
31	Argentina	01-Jan-1962
32	Chile	1962
33	Greece	02-Feb-1962
34	Turkey	15-Nov-1962
35	Lebanon	18-Aug-1963
36	Belgium	19-Aug-1963
37	Iran	14-Dec-1964
38	Canada	18-Jan-1965
39	Jordan	20-Aug-1965
40	Denmark	15-Dec-1967
41	Bulgaria	15-Apr-1968
42	Romania	20-Apr-1968
43	Algeria	29-Apr-1968
44	Spain	13-May-1968
45	Iraq	30-Oct-1968
46	Singapore	25-Mar-1969
47	Sudan	11-Jul-1969
48	Syria	26-Feb-1970
49	Ethiopia	15-Apr-1971
50	Kuwait	25-Feb-1972
51	Bangladesh	08-Apr-1972
52	Albania	23-May-1972
53	Norway	26-Jan-1973
54	DPR of Korea	15-May-1974
55	Republic of Korea	15-May-1974
56	Finland	21-Sep-1974
57	Tanzania	10-Jan-1975
58	Morocco	18-Feb-1975
59	Cuba	25-Mar-1975
60	Cambodia (Kampuchea)	18-Apr-1975
61	Vietnam	15-May-1975

62	Kenya	03-Jun-1975
63	Mexico	25-Nov-1975
64	Luxembourg	27-Nov-1975
65	Nigeria	20-Dec-1975
66	Libya	30-Dec-1975
67	Peru	28-Jan-1976
68	Brazil	07-Feb-1976
69	Portugal	01-Sep-1976
70	Bahrain	13-Jan-1977
71	Oman	21-Jan-1977
72	Qatar	21-Jan-1977
73	United Arab Emirates	22-Jan-1977
74	Saudi Arabia	15-Mar-1977
75	Costa Rica	16-Aug-1977
76	Maldives	01-Aug-1980
77	Cyprus	18-Aug-1980
78	Mauritius	12-Feb-1981
79	Iceland	25-May-1981
80	Bhutan	03-Jun-1983
81	Holy See	10-Sep-1983
82	Malta	25-Sep-1983
83	Brunei	03-Feb-1984
84	Panama	15-Feb-1984
85	Tunisia	14-Apr-1984
86	Somalia	24-Oct-1984
87	Zimbabwe	27-Nov-1984
88	Gabon Republic	17-Jun-1985
89	Yemen	25-Dec-1985
90	Fiji	12-Jun-1986
91	Zambia	10-Sep-1986
92	Mozambique	30-Sep-1986
93	Nicaragua	05-Oct-1986

94	Venezuela	28-Apr-1987
95	Colombia	07-May-1987
96	Bolivia	21-May-1987
97	Estonia	20-Apr-1992
98	Latvia	20-Apr-1992
99	Ukraine	15-Jan-1993
100	Armenia	26-Mar-1993
101	Kyrgyzstan	26-Mar-1993
102	Belarus	19-Jul-1993
103	Moldova	20-Jul-1993
104	Czech Republic	02-Mar-1994
105	Slovak Republic	04-Mar-1994
106	Guyana	22-Jun-1994
107	South Africa	28-Jul-1994
108	Azerbaijan	28-Feb-1995
109	Seychelles	10-Oct-1996
110	Slovenia	02-Dec-1997
111	Macedonia	06-Jan-1998
112	Croatia	06-Feb-1998
113	Ireland	19-Aug-1999
114	Bosnia Herzegovina	12-Jan-2000
115	Lithuania	08-Feb-2005
116	San Marino	10-Aug-2005
117	Republic of Tajikistan	13-Sep-2005
118	Georgia	22-Sep-2005
119	Turkmenistan	17-Oct-2005
120	Equator	21-Jun-2006
121	Paraguay	02-Aug-2006
122	Guatemala	08-Aug-2006
123	Honduras	18-Aug-2006
124	Vanuatu	19-Sep-2006
125	Andorra	22-Sep-2006

126	Congo	22-Sep-2006
127	Haiti	23-May-2007
128	Saint Vincent	27-Sep-2007
129	Dominican Republic	28-Sep-2007
130	Botswana	08-Jan-2009
131	Mali	19-Nov-2009
132	Lesotho	18-May-2010
133	Montenegro	18-Jul-2011
134	Solomon Island	15-Dec-2011
135	Uruguay	18-Apr-2012
136	Monaco	15-May-2012
137	Islamic Republic of Mauritania	04-Dec-2012
138	Tuvalu	11-Dec-2012
139	Independent State of Samoa	28-Mar-2013
140	Papua New Guinea	12-Apr-2013
141	Kazakhstan	30-Jun-2015
142	Jamaica	01-Oct-2015
143	Republic of Guinea	12-May-2016