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Editor's Note

In the month of December 2022 Vivekananda International Foundation (VIF) organized a total of four expert group meetings with the first meeting of the newly formed Eurasia experts group. The focus of the groups in December being in the neighbourhood, West Asia and Central Asia.

The West Asia Experts Group Meeting was held on 12 December 2022. The West Asian region is India's most crucial extended neighbourhood. India's dynamics with the states in the region has transformed from transactional to real strategic partnerships. India shares deep historical, civilizational and trade links with the region. The expert group therefore focussed the discussion on "India and West Asia: Prospects and Challenges ". The key speaker for the session was Dr. Ausuf Sayeed, Secretary (CPV & OIA), Ministry of External Affairs.

The VIF Eurasia Expert Group held its first meeting on December 12, 2022. The formation of this group is motivated by a desire to generate a critical understanding of India's Eurasia policy. In addition, the expert group will focus on the integrative holistic view of India's Eurasia policy in the aftermath of the Ukrainian crisis.

The group will also attempt to introduce a new strategic analysis of India's approach to the Eurasian region.

On 16 December 2022, the Vivekananda International Foundation (VIF) organised a talk on "Power trading between India and Nepal" in the neighbourhood series. The importance of power trading and energy cooperation between the two countries and its role in India-Nepal relations and connectivity was discussed. The other areas in the roundtable were depth of the trade in electricity, the success and challenges ahead.

The neighbourhood experts group held a discussion on the Nepal elections. In the group the presentation started with a discussion of key political developments in Nepal. The elections conducted on 20 November 2022 were the second general election under the new constitution. The election was conducted for the House of Representatives (HoR), with 275 seats, and for the Provincial assemblies of seven Nepali Provinces, with 550 seats. Also discussed were the relationship between the parties and the need for political parties to reinvent themselves.

The coordinators and researchers associated with the expert and dialogue groups, think tanks and interactions have put unfaltering efforts to coordinate the meetings, to provide range and diversity of views as well as capture the discussion for the reports.

Naval Jagota

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India and West Asia: Prospects and Challenges

Prepared by Hirak Jyoti Das

The West Asia Experts Group Meeting was held on 12 December 2022 by the Vivekananda International Foundation, the discussion was focused on “India and West Asia: Prospects and Challenges “. The key speaker for the session was Dr. Ausuf Sayeed, Secretary (CPV & OIA), Ministry of External Affairs. The members attending and contributing were Amb. Anil Trigunayat (Coordinator); Amb. D P Srivastava; Lt. Gen. Ravi Sawhney (Retd) and Director, VIF, Dr. Arvind Gupta.

The West Asian region is India’s most crucial extended neighbourhood. India’s dynamics with the states in the region has transformed from transactional to real strategic partnerships. India shares deep historical, civilizational and trade links with the region. The patronage by Indian scholars and nobles has been instrumental in building educational institutions studying science, literature, art and culture. India has continued to harness the historical and civilizational values to uphold the common moral and spiritual values. In this direction, inter-faith dialogues have been an important aspect.

Prime Minister Narendra Modi’s visits to the region have further intensified the relationship. India continues to remain a firm supporter of the Palestinian cause. India has however managed to de-hyphenate the rela-

tionship by maintaining cordial ties with both Israel and Palestine. Prime Minister Modi's separate visits to Israel in July 2017 and Palestine in February 2018 indicate its new approach. The West Asian region would remain an area of focus for India in 2023. In fact, India is hosting Egyptian President Abdel Fatah Al Sisi as the guest for 2023 Republic Day. Indian private firms are increasingly penetrating in the West Asian states especially in the areas of energy, investments, startups etc. In the field of energy, Saudi Arabian Oil Co. (Saudi Aramco) and Abu Dhabi National Oil Co. (Abnoc) in 2020 planned to invest US\$ 44 billion refinery and petrochemical project in the western coast. Indian firms i.e. Indian Oil Corporation (IOC); Bharat Petroleum Corp Ltd (BPCL) and Hindustan Petroleum Corp Ltd (HPCL) along with Saudi Aramco and Adnoc have planned to set up a 60 million tonnes refinery cum petrochemical complex. India has also entered into long-term LNG contract with Qatar. It is likely that the contact with Qatar will be renewed until 2028. India has also set up task force on energy with Qatar.

India is working closely with Saudi Arabia and the UAE in the field of renewable energy especially green hydrogen and green ammonia. For Gulf States, India's support is crucial to attain food security in the long-term. The Indian government held discussions with Gulf States to develop food parks to cultivate rice, sugar etc. In the field of security and defence cooperation, high level visits and military exercises have been conducted. India is keen to nurture a sophisticated defence industry and improve its market share especially in the West Asian region. The Indian government is deeply concerned about the welfare of the diaspora and regular interactions are held with host states to safeguard their interests. India is deeply hopeful about the prospects of the ambitious I2U2 forum with Israel, UAE and the US to intensify economic cooperation with the two pivotal West Asian players and the US.

Critical Understanding of India's Eurasia policy

Prepared by Dr Pravesh Kumar Gupta

The VIF Eurasia Expert Group held its first meeting on December 12, 2022. Dr Arvind Gupta, Director, VIF, made the opening remarks, followed by Amb D B Venkatesh Varma, who also chairs this expert group. Other members of this expert group present for the discussion included Amb D P Srivastava, Lt Gen Ravi Sawhney (Retd), Amb Skand R Tayal, and Amb Ajay Bisaria.

The formation of this group is motivated by a desire to generate a critical understanding of India's Eurasia policy. In addition, the expert group will focus on the integrative holistic view of India's Eurasia policy in the aftermath of the Ukrainian crisis. The group will also attempt to introduce a new strategic analysis of India's approach to the Eurasian region.

Against this context, there has been extensive discussion regarding Eurasia's regional geopolitics and the role of India and other major powers. All members agreed that the Eurasian region is undergoing a geopolitical restructuring as a result of the Ukrainian crisis. India must pay greater attention to the region to achieve its objectives. The primary focus should be on improving connectivity with this region. In this sense, a proactive strategy is essential.

The Eurasian region is also important in terms of security. The development of Afghanistan, as well as the uncertain domestic situation in the Central Asian countries, may present a severe challenge. As a result, more cooperation in the security sector is also required. Some specific sectors that demand more serious emphasis for further expansion include digital connectivity, the pharmaceutical industry, manufacturing, food security, etc. Since India and Central Asia have long-standing historical links, strengthening its soft power agenda there might aid India in developing a more positive public image.

Power trading between India and Nepal

Prepared by Aarushi Gupta

On 16 December 2022, the Vivekananda International Foundation (VIF) organised a talk on “Power trading between India and Nepal”. Dr Arvind Gupta, Director VIF, gave the introductory remarks, followed by a presentation by Mr Lal Krishna KC, Sr. Advisor to the Energy Committee at the Nepal-India Chamber of Commerce and Industry (NICCI), Mr Kunal Kayal, Treasurer at NICCI and Neha Agarwal, Director of Arunachal Pradesh Power Trading Company. Dr Gupta welcomed the delegation from NICCI, Lt General R K Sawhney (Retd), Dr Nihar Nayak, Dr Sreeradha Datta, Brig Vinod Anand (Retd), Rishi Gupta, Aakriti Vinayak and Chhavi Vasishth, Anil Kumar and Aarushi Gupta. Dr Gupta invited Mr Lal Krishna to speak about the prospects of cooperation in power trading between India and Nepal.

Dr Gupta stated the importance of power trading and energy cooperation between the two countries and its role in India-Nepal relations and connectivity. Approximately 600 MW of energy is currently being supplied by India to Nepal through various transmission lines. Government of India, in November 2021, granted permission to Nepal Electricity Authority (NEA) to sell its surplus energy under Cross Border Trade of Electricity (CBTE) guidelines issued in February 2021.

The presentation started with stating crucial figures from the energy sector of Nepal to outline the potential of the energy sector in Nepal. Nepal has the potential of 83,000 MW, out of which 42,000 MW is harvestable. Nepal is an energy surplus country during the monsoon, while during the dry season, it is in energy deficit and therefore imports energy from India. It is predicted that through multiple projects with the capacity of 5,000-6,000 MW energy will be operational in next three to five years. Further, in the course of eight years, Nepal will have 12,000-16,000 MW capacity, indicating a large energy surplus in the country. At present as well, Nepal has enough surplus energy to be sold to India. India has a large green energy market due to its climate change agreement and needs to fulfil its promise to shift from fossil fuel to green energy.

India and Nepal signed a “Power Exchange Agreement” in 1971 to meet the power requirements of both the countries, in the border areas. It was only in 2014 agreement on ‘Electric Power Trade, Cross-border Transmission Interconnection and Grid Connectivity’ between India and Nepal and the “SAARC Framework Agreement for Energy Cooperation (Electricity)” was signed. This indicates a slow pace of the partnership between the two countries. Nevertheless, the following methods can be adopted to increase the pace of interaction between India and Nepal.

First, political will and political commitment will help utilise resources judiciously and help expedite in implementation of the projects for India and Nepal. Second, through policy planning and interventions, the pace for implementation of projects will increase. Third, the rules and regulatory measures must be harmonised and synchronised in the structural sphere to eliminate the grey area in cross-border and sub-regional energy trading. Fourth, the simplification of guidelines for power trading and online procedural access would create a synergy between both countries. Fifth, in the technical sphere, a set of procedures are required for a reliable transmission network across the country, which needs to be synchronised for the power flow. Finally, in financing, India has given grants and extended lines of credit for high-voltage line development

to many countries, including Nepal. However, interest rates on lines of credit and Exim bank can be relaxed, and the private sector could increase investment. There is a requirement to focus on these areas of cooperation and require documented agreements between government-to-government and private-to-private actors for seamless bilateral interaction.

In the last decade, India has moved from an energy deficit country to a self-sufficient and finally an energy surplus country. Due to the COVID pandemic, the demand crashed and the energy market became a surplus market. Whereas, due to the Ukraine war in 2022, the market is again in deficit. Within India, the energy market forces of the states balance each other despite the various energy trends emerging worldwide. Given our neighbours have energy deficit and surplus trends, India has the scope to complement our neighbours. This can emerge as the purchase of energy or the banking of power. Banking of power (barter of energy) is essentially a cashless transaction, preferred by states facing a cash crunch or debt. The banking of power model can be used to exchange energy with Nepal.

In the Electricity Act 2003 amendment, India gave open access to consumers in India. The Act defines Open Access as, “the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission”. That is, the freedom to choose a supplier with the most competitive energy prices. Any consumer with more than 1 MW load is allowed to choose its energy supplier.

If open access is allowed in Nepal, it will add value and help find competitive buyers in India, and thereby reduce India’s carbon footprint. The discussion also proposed that transmission corridors could make cross border energy trading seamless in next five years. A promise of cooperation in open access energy engagement by both governments will bring in more private players that will prove beneficial to the overall climate change agenda and the economic prosperity of India and Nepal.

Assessment of the Nepal Elections

Prepared by Aarushi Gupta

On 19 December 2022, the Vivekananda International Foundation (VIF) organised a talk on “Assessment of the Nepal Elections”. Dr Arvind Gupta, Director VIF, gave the introductory remarks, followed by a presentation by Shri Jay Nishaant. Dr Gupta welcomed Shri Jay Nishaant, Lt General R K Sawbney (Retd), Dr Sreeradha Datta, Brig Vinod Anand (Retd), Rishi Gupta, Aakriti Vinayak and Chhavi Vasisht, Anil Kumar and Aarushi Gupta.

The presentation started with a discussion of key political developments in Nepal. The elections conducted on 20 November 2022 were the second general election under the new constitution. The election was conducted for the House of Representatives (HoR), with 275 seats, and for the Provincial assemblies of seven Nepali Provinces, with 550 seats. Nepal used four types of ballots in each constituency to accommodate the mixed election process in Nepal, with First Past the Post (FPTP) election and Proportional Representation (PR).

There were two pre-election alliances. The first was the democratic-left alliance, led by Nepali Congress. It constituted of the Communist Party of Nepal (Maoist Centre) (CPN-MC), Communist Party of Nepal (United Socialist), Loktantrik Samajwadi Party, and Rastriya Janamorcha. The second pre-election alliance was led by the Communist Party of Nepal

(Unified Marxist–Leninist) (CPN-UML). It was joined by Rastriya Prajatantra Party and Janata Samajbadi Party. Nepali Congress bagged the maximum number of seats in the FPTP election with 89 seats, and CPN-UML came in second with 78 seats. In the PR vote, CPN-UML received the highest popular vote with 34 seats, while Nepali Congress came in second, with 32 seats.

Nepali Congress, led by Sher Bahadur Deuba, was the biggest gainer in the current elections and benefited the most due to the pre-election alliance and the split within the CPN party. However, there is an emerging struggle within the party between the established leaders and the young leaders like Gagan Thapa.

CPN- UML came in second with 78 seats, the number was significantly low, compared to 121 seats won in the 2017 elections. KP Sharma Oli led CPN-UML is a highly centralised, authoritarian and single-leadership party. Due to internal infighting, the party was split into three, with the breakaway parties joining the Nepali Congress in the current elections. Several prominent party leaders, like Ishwar Pokhrel and Shankar Pokharel, lost in the recent elections.

CPN-MC, led by Pushpa Kamal Dahal ‘Prachanda’, secured 32 seats in the current elections, compared to the 53 seats it won in the 2017 elections. It blamed Nepali Congress for the lack of transfer of votes during the polls. The constituencies won by the party are more rural and underdeveloped, showing a trend of the urban population shifting away from the party hold. Prachanda is navigating the current political scene to secure the position of Prime Minister for himself (*which he secured later by changing sides and aligning with CPN-ML*)

Rashtriya Swatantra Party, led by Rabi Lamichhane, is a new party that emerged this election and secured 24 seats in the HoR. It grasped the psyche of the urban, modern and educated constituencies of Nepal like Kathmandu (4), Lalitpur (1) and Chitwan (2). The party had primarily

defeated communist candidates in the constituencies won. The party still needs to come up with an ideology to align itself. It rose rapidly due to the frustrations and disenchantment of the Nepali youth with the established political parties.

Rastriya Prajatantra Party is a pro-monarchist and Hindu nationalist party led by Rajendra Prasad Lingden. It won 14 seats in comparison to the one seat won in the 2017 elections. They have also qualified for the popular PR vote's three per cent vote's requirement. Janata Samajbadi Party, led by Upendra Yadav, won 12 seats in the current elections. Upendra Yadav lost the election from his constituency to CK Raut. The party has major internal rifts, which has put the durability of the party in question, despite its popularity in the Madhesh province previously.

Janamat Party, led by CK Raut, won six seats in the HoR. CK Raut was a secessionist leader who later joined mainstream politics and defeated Upendra Yadav, and is considered to be the new face of Madhesh Province. He successfully lobbied for the overseas votes of the Nepali diaspora. Loktantrik Samajwadi Party, led by Mahantha Thakur, won only four seats this year, compared to the 17 seats in the last elections. It needed an effective strategy and campaign plan for the polls.

The 2022 elections had a low turnout of 61 per cent due to the pre-election alliance confusion as well as the disenchantment of the citizens. The elections were held without much violence and were concluded successfully. The highest number of independent candidates, at 1200, was recorded in the current elections. It also had 225 women candidates standing up for representation in the FPTP elections. 48% of the representation came from the Khas-Arya identity and therefore lacked the Dalit and other minority representation. Since no party could acquire a clear majority in the House of Representatives, according to Article 76 (2) of the Nepal Constitution, a coalition will be formed, and President shall appoint the Prime Minister.

The relationship between the parties and the voters is changing rapidly, and the parties will have to keep up with the youth of Nepal to stay relevant in the Nepali political landscape. The need for political parties to reinvent themselves has become pertinent now. The youth require age-appropriate representation, and the rise of newer parties is inevitable. In the current term, federalism may come under threat, and the voice for the revival of monarchy may get stronger as the alliances are built away from the ideological similarities between parties. However, the established political parties will still be relevant in Nepal's future.

About the VIVEKANANDA INTERNATIONAL FOUNDATION

The Vivekananda International Foundation is an independent non-partisan institution that conducts research and analysis on domestic and international issues, and offers a platform for dialogue and conflict resolution. Some of India's leading practitioners from the fields of security, military, diplomacy, government, academia and media have come together to generate ideas and stimulate action on national security issues.

The defining feature of VIF lies in its provision of core institutional support which enables the organisation to be flexible in its approach and proactive in changing circumstances, with a long-term focus on India's strategic, developmental and civilisational interests. The VIF aims to channelise fresh insights and decades of experience harnessed from its faculty into fostering actionable ideas for the nation's stakeholders.

Since its inception, VIF has pursued quality research and scholarship and made efforts to highlight issues in governance, and strengthen national security. This is being actualised through numerous activities like seminars, round tables, interactive dialogues, Vimarsh (public discourse), conferences and briefings. The publications of VIF form lasting deliverables of VIF's aspiration to impact on the prevailing discourse on issues concerning India's national interest.



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