

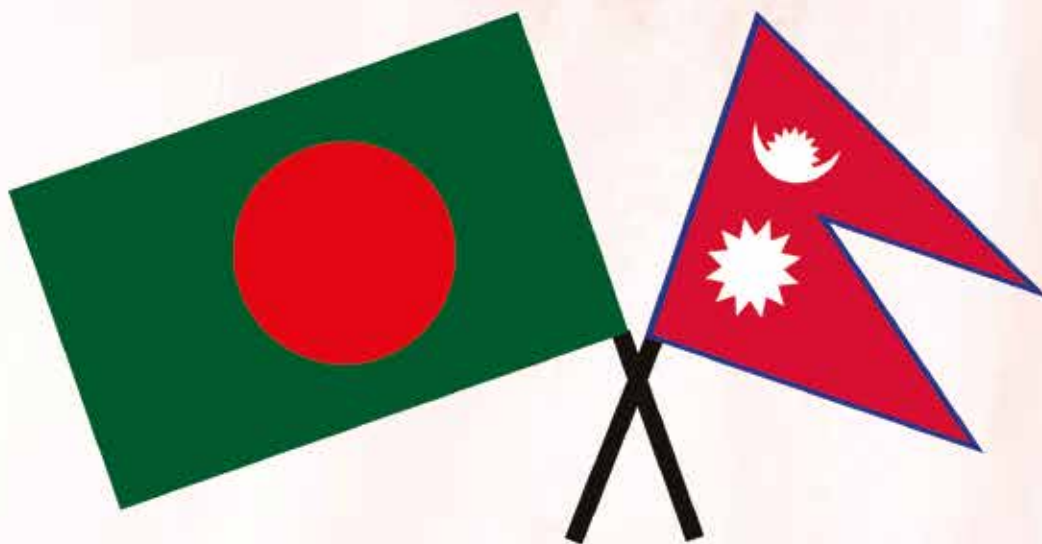


PROCEEDINGS

Seminar on

Celebrating 50 Years of Bangladesh-Nepal Friendship: Shared Vision of Peace, Progress and Prosperity

12 March 2023



Jointly Organised by

Bangladesh Institute of International and Strategic Studies (BISS)

Ministry of Foreign Affairs, Government of the People's Republic of Bangladesh

Embassy of Nepal Dhaka, Bangladesh

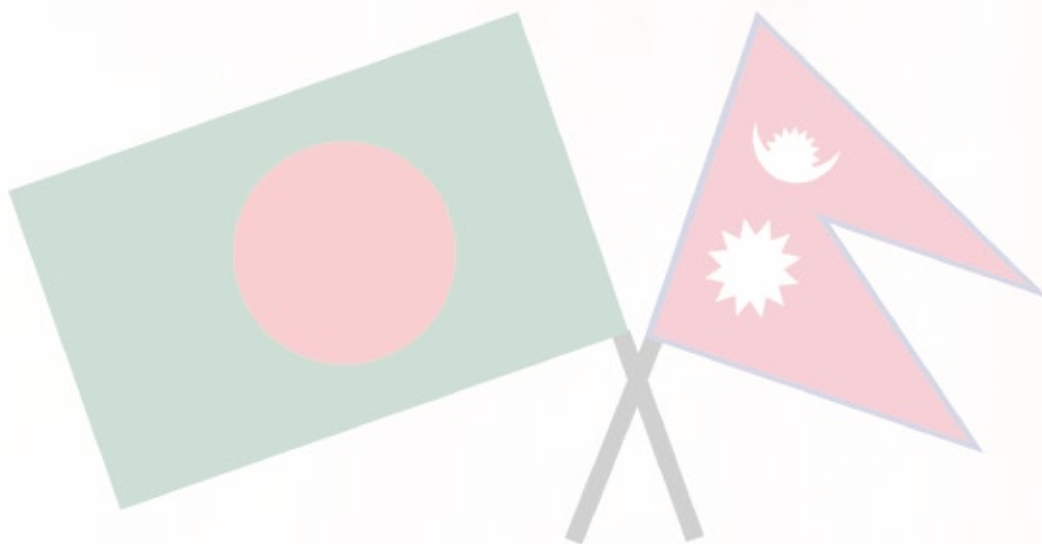


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Seminar on Celebrating 50 Years of Bangladesh-Nepal Friendship: Shared Vision of Peace, Progress and Prosperity

Bangladesh Institute of International and Strategic Studies (BIISS) organised a Seminar titled “Celebrating 50 Years of Bangladesh-Nepal Friendship: Shared Vision of Peace, Progress and Prosperity” on Sunday, 12 March 2023 at the BIISS auditorium. **H E Dr A K Abdul Momen, MP**, Honourable Foreign Minister, Government of the People’s Republic of Bangladesh, graced the Seminar as Chief Guest. **Major General Sheikh Pasha Habib Uddin, OSP, SGP, BAMS, afwc, psc**, Director General, BIISS, delivered the Welcome Address. **H E Mr Ghanshyam Bhandari**, Ambassador of Nepal to Bangladesh deliberated his remarks. **Dr Swarnim Wagle**, Chair, The Institute for Integrated Development Studies (IIDS), Kathmandu and **Ambassador Mashfee Binte Shams**, Rector, Foreign Service Academy, Bangladesh, made their presentations in the Seminar. These were followed by an open discussion session. Afterward, the Chief Guest, H E Dr A K Abdul Momen, MP, delivered his valuable remarks. Major General Sheikh Pasha Habib Uddin, OSP, SGP, BAMS, afwc, psc, Director General of BIISS concluded the Seminar with a vote of thanks.



Welcome Address



Major General Sheikh Pasha Habib Uddin, OSP, SGP, BAMS, afwc, psc
Director General, BIIS

At the outset of his remarks, **Major General Sheikh Pasha Habib Uddin, OSP, SGP, BAMS, afwc, psc**, Director General, BIIS, welcomed everyone and expressed his heartfelt gratitude to the Chief Guest, H E Dr A K Abdul Momen, MP, H E Mr Ghanshyam Bhandari, Ambassador of Nepal to Bangladesh, and distinguished speakers for gracing the occasion. He mentioned three significant events of the month of March—the Momentous 7th March Speech, birth of the Father of the Nation and the Independence Day. He paid his solemn reverence to the memory of the Father of the Nation *Bangabandhu* Sheikh Mujibur Rahman and millions of martyrs who made their supreme sacrifice during every struggle of Bangladesh’s national emancipation and the War of Liberation in 1971.

Mentioning the celebration of 50 years of diplomatic relationship between Bangladesh and Nepal, he expressed that since the establishment of the diplomatic ties on 08 April 1972, the two countries have been enjoying excellent bilateral ties and they have supported each other on various global and regional platforms. Here he mentioned that Bangladesh always acknowledges the support of Nepal’s political leadership during the War of Liberation in 1971. Nepal was the seventh country to

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recognise Bangladesh immediately after its independence. Since then, the bilateral relationship between the two nations has been growing related to trade and economic cooperation, connectivity and people-to-people connections. Geographical proximity between the two countries has also cemented the bilateral ties. He added that borders between the countries are separated by only 22 kilometres of Indian territory known as Shiliguri Corridor which separates northern Bangladesh and southern Nepal. This geographical proximity together with similarity in cultures, traditions and values explain the deep-rooted friendship, growing people-to-people contacts and cementing ties. The two lands have been nurtured by wisdom and insights of great saints and philosophers. Therefore, those common aspects are also bringing the two countries spiritually, culturally and emotionally closer.

The Director General mentioned that the rich natural and human resources is the source of power in transforming the development landscape, creating prosperity and happiness for the common people of both of the countries. Bangladesh is envisioning to be a prosperous nation by 2041, and Nepal plans to be a high-income country by 2043. Therefore, both countries' mutual support and cooperation on a range of issues of shared interest are vivid.

Then he focused on a few aspects of bilateral cooperation between the two countries. Economic cooperation, he mentioned, is one of the important aspects of bilateral relationship between the two countries. In 1978, the two countries established a Joint Economic Commission (JEC) at the Finance Ministry level to enhance bilateral trade and investments. Earlier, in April 1976, the two countries signed four agreements to foster trade, transportation, civil aviation and technical cooperation. Besides, in July 2012, Foreign Office Consultation mechanism was initiated at the Foreign Secretary level to discuss and review bilateral trade and investments.

He argued that the growing trend of trade between the two countries depicts the growing strength of economic cooperation between the two countries. He highlighted that in the last two decades, Nepal's export to Bangladesh grew at an annual rate of more than 13 per cent whereas Bangladesh's export to Nepal increased at 17 per cent. In FY2021-22, export from Bangladesh to Nepal was US\$ 105.5 million, while import from Nepal to Bangladesh was US\$ 5.6 million. Bangladesh's main export items to Nepal includes residues and waste from the food industries;

grains, seeds, fruit, and industrial or medicinal plants; electrical machinery and equipment; pharmaceutical products; textiles and clothing items, and jute. The main imported items are vegetable products, fruits, prepared foodstuffs, animal products, and mechanical appliances and electrical equipment.



He further argued that connectivity, transit and corridor between the two countries facilitated this increasing trend of trade significantly. Both the countries started their official trade relations in September 1997 through the Kakarvitta-Phulbari-Banglabandha transit route. Moreover, Bangladesh is allowing access to Nepal to use the Mongla Port for its third country trade and also providing rail corridor transit via Rohanpur-Singhabad for promoting easy and cost-effective bilateral trades. The launching of Padma Multipurpose Bridge has opened up a new horizon for enhanced sub-regional connectivity and economic cooperation between the two countries and beyond.

However, he opined that comparing to the enormous prospects, economic relations between the two nations remained insignificant. There is an immense scope of expanding trade relationship through fostering complementarities, eliminating tariff- and non-tariff barriers, improving infrastructures, expanding connectivity and exploring new sectors of trade and investments. Also, he suggested that the

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private sector and business community from both the country should come forward and engage more steadily. Besides, enhanced connectivity over land, air and sea can unleash socioeconomic growth potentials between the two countries.

He commented that since Bangladesh's economy is growing fast and experiencing rapid industrialisation, additional supply of energy is very crucial. Here, energy cooperation could play a catalytic role for mutual benefits. Energy is one of the most important areas of collaboration between Bangladesh and Nepal. According to the 15th Five-Year Development Plan of Nepal (2019-2024), the country is going to increase its electricity generation to more than 5000 MW, making it an energy surplus country. Bangladesh is focusing on exploring opportunity to make investments, generate and import surplus energy from Nepal. Bangladesh is working with both India and Nepal for trilateral cooperation on energy supply.

Tourism is another important sector for bilateral cooperation, he added. Both the country has huge potential in the travel, tourism and hospitality sector. Bangladesh with the world's longest sea beach of Cox's Bazar in her lap, the biggest mangrove forest of Sundarbans at its heart, and the exclusive beauty of the riverine landscape could be the best destination for Nepali tourists. Similarly, Nepal, being the daughter of Himalayas, majestic snow-caped mountains, rich biodiversity, etc. offer an attractive destination for Bangladeshi tourists. Hence, to reap more benefits from the tourism sector, both the countries need to work on seamless land and air connectivity, enhance people to people contact, and cultural exchanges like exchange of music and sports, etc.

Here, he mentioned that exchange in education sector is quite impressive between the two countries. Every year a good number of Nepali students are enrolled for studying medicine, nursing, dentistry, engineering, agriculture and other courses in various institutions of Bangladesh. Bangladeshi students, on the other hand, are choosing Nepal to pursue higher education in fine arts and development studies, among others. However, accreditation of each other's university degrees and affiliation of more colleges and universities in the future will open up newer vistas of opportunity of cooperation in education sector.

The Director General also highlighted that Bangladesh and Nepal have enormous scope to work and enhance cooperation under the sub-regional and

regional platforms. Bangladesh and Nepal are active members in sub-regional groupings like BIMSTEC and BBIN. Moreover, both countries are among the largest contributors to the United Nations peacekeeping operations. Those platforms of working together provide scope for creating synergies and foster bilateral relations further. Again, climate change is another important area of cooperation between the two countries. Both the country can cooperate in climate adaptation and mitigation and share knowledge and training. He opined that both the countries can work together and raise common voice for climate justice and for climate fund from the developed nations.

He argued that though Bangladesh and Nepal are geographically close and both of them are the members of SAARC, BIMSTEC, BBIN, etc., they have not been able to translate their bilateral ties to mutually beneficial economic relations to the fullest. There is vast scope of cooperation in areas such as trade, investment, connectivity, energy cooperation, education and tourism. Since both countries do not share border with each other, sub-regional platform could be crucial option to work for common interests in South Asia. He suggested that both the countries need to emphasise on connectivity. Linking of waterways in Bangladesh, India and Nepal would substantially improve connectivity and reduce the cost of transport and trade. BBIN Motor Vehicle Agreement should be implemented to foster transport connectivity. After all, to take the bilateral relationship forward and enhance cooperation, the two countries should review the last five decades of their journey and articulate active policies in the field of trade, hydropower and energy cooperation, infrastructure development, and more.

At the end of his remarks, he expressed hope that from the discussions of the seminar, further guidelines to enhance bilateral relationship between Bangladesh and Nepal will come out.

Remarks By



H E Mr Ghanshyam Bhandari
Ambassador of Nepal to Bangladesh

At the outset, **H E Mr Ghanshyam Bhandari**, the Ambassador of Nepal to Bangladesh, expressed his sincere thanks to the Ministry of Foreign Affairs and the Bangladesh Institute of International and Strategic Studies (BISS) for collaborating with the Nepal Embassy to put together this event. Additionally, he conveyed his deepest gratitude to the Honourable Foreign Minister, Dr A K Abdul Momen, MP, for gracing the seminar as the Chief Guest. The Ambassador also expressed his appreciation to Ambassador Mashfee Binte Shams and Dr Swarnim Wagle for agreeing to speak on the seminar's theme.

Ambassador Bhandari highlighted that the history of Nepal-Bangladesh relations can be traced back to times predating Bangladesh's Liberation War. He emphasised that the societies and communities of both Nepal and Bangladesh were deeply interconnected through profound historical and socio-cultural linkages. According to the Ambassador, the relationship between the two countries is as “organic” as the link between the majestic Himalayas and the Bay of Bengal. This connection is as natural as the ever-flowing rivers that run between them. He added that the Himalayas are often referred to as the “pulse of the planet” since everything that happens there reverberates across the region and beyond.

Ambassador Bhandari shared his view that Nepal-Bangladesh friendship has thrived on the principles of cooperation, trust, and mutual respect since the establishment of formal diplomatic relations on 08 April 1972. He noted that regular exchanges of high-level political visits and bilateral engagements have significantly contributed to strengthening bilateral relations. Moreover, the economic and commercial ties between the two countries have been steadily growing. At the cultural and linguistic levels, strong links continue to foster respect and mutual understanding between the societies and people of both nations. The Ambassador also highlighted that Bangladesh has become a preferred destination for Nepali students pursuing higher education, particularly in the medical field. Currently, approximately 3,000 Nepali students are studying at various universities and colleges across Bangladesh.

He further highlighted that Nepal and Bangladesh have overcome many challenges together and stood by each other in times of need, including during the COVID-19 pandemic. As a close and friendly neighbour, Nepal is pleased to witness the remarkable economic progress achieved by Bangladesh under the dynamic leadership of Honourable Prime Minister Sheikh Hasina. Furthermore, the collaboration between Nepal and Bangladesh extends to regional and international forums, such as SAARC, BIMSTEC, United Nations, Non-aligned Movement, and Group of 77 among others. The two countries share a common commitment to the values of global peace, progress, and prosperity. Notably, as the two largest troops and police-contributing countries in UN peacekeeping operations, Bangladesh and Nepal continue to contribute to the noble cause of global peace and security.

At this point, Ambassador Bhandari focused on the future outlook of Nepal-Bangladesh relations and emphasised the need to diversify the areas of cooperation. He pointed out that although bilateral trade between Nepal and Bangladesh has been steadily increasing, both countries have yet to tap their full potential. Therefore, the Ambassador believes that it is essential to intensify efforts to enhance economic linkages between the two nations. He expressed his gratitude to the Government of Bangladesh for reopening, after two decades, the import of all types of Nepali yarns to Bangladesh via the Banglabandha Land Custom Station (LCS) in December 2022.

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Regarding investment, he mentioned that Nepali and Bangladeshi investors have collaborated to invest in some joint venture projects. The signing of the Double Tax Avoidance Agreement (DTAA) in 2019 has opened up avenues for further expansion of trade and investment opportunities between the two nations. He further highlighted that Nepal's hydropower potential and Bangladesh's increasing energy needs provide ample opportunities for energy cooperation. The recent developments in the energy sector are also encouraging. Nepal is making efforts to ensure the import of power from Nepal to Bangladesh, which will help realise the prospects of "win-win" energy cooperation. If materialised, this will provide a much-needed springboard to take bilateral relations and sub-regional cooperation to the next level.

Ambassador Bhandari underscored the importance of connectivity by calling it a lifeline for sustainable economic partnership and for greater people-to-people contacts. He informed the audience that currently, Biman Bangladesh Airlines and Himalaya Airlines are operating 11 direct flights per week between Kathmandu and Dhaka. Furthermore, enhanced connectivity through roads, airways, waterways, and transmission lines will be critical to further materialise the prospects of economic cooperation. He also mentioned that negotiations on the movement of cargo and passenger vehicles under the BBIN framework are progressing. If concluded successfully by addressing each other's concerns, this will be a significant milestone towards achieving seamless road connectivity in the sub-region.

Tourism is another sector that Ambassador Bhandari believes will offer a great deal of potential for both countries. He informed the audience that over 25 thousand Bangladeshi tourists visited Nepal in 2022, which is close to the pre-pandemic level. Both Nepal and Bangladesh offer unique and diverse touristic products, such as Nepal's majestic mountains, verdant valleys, historical and archaeological sites, and Bangladesh's fertile plains, exquisite sea beaches, captivating mangrove forests, and cultural and historical sites. However, the Ambassador believes that there is a need to connect religious and archaeological sites, as well as eco-tourism and adventure destinations, through tourism circuits in order to build stronger bonds between the peoples of both countries.

The final point highlighted by Ambassador Bhandari was the LDC graduation and development challenges. He opined that Nepal and Bangladesh share similar

opportunities and challenges in terms of their socioeconomic development aspirations. Both countries are set to graduate from the Least Developed Country (LDC) category by 2026, which is a long-held aspiration. However, the pandemic and geopolitical crises have further accentuated the challenges facing both nations. Therefore, the Ambassador stressed on the importance of working together and pushing against the pushback. To ensure a smooth, sustainable, and irreversible graduation, it is vital for both Nepal and Bangladesh to share their experiences, lessons learned, and best practices, including during the current preparatory period. This will be instrumental in achieving the shared vision of peace, progress, and prosperity.

In conclusion, Ambassador Bhandari stated that an anniversary is not just an occasion to take stock of achievements and celebrate, but also an opportunity to reflect on possibilities and plan for the future. He expressed his optimism that the fiftieth anniversary of the Nepal-Bangladesh relationship becomes a watershed moment that inspires both countries to work collaboratively and ignite action for a more robust partnership.



Presentation By



Dr Swarnim Wagle

Chair, The Institute for Integrated Development Studies (IIDS), Kathmandu, Nepal

At the outset, **Dr Swarnim Wagle**, Chair, The Institute for Integrated Development Studies (IIDS), expressed that it was a real privilege for him to watch the agenda of mass social advancement that has been pioneered in Bangladesh and has been propelling the economic rise of the country. He was optimistic that in future, economic textbooks will be written on this story of social progress setting the stage for economic rise of developing countries and Bangladesh will be featured in the forefront. He found Bangladesh's story and aspects of its rise to be very inspirational to lagging South Asian countries and Least Developed Countries (LDC) like Nepal. He was also pleased to acknowledge the wonderful relationship that exists between Bangladesh and Nepal. He recalled that Nepal was one of the earliest countries to recognise Bangladesh in 1972 and now the challenge and duty of this generation of citizens is to build on the beautiful legacy and imagine a shared future of peace and prosperity.

Next, Dr Wagle moved on to the main part of his presentation where he focused on selective issues. He opined that these issues may not be unheard or novel to the audience, but it was important to reinforce those and perhaps reorient Nepal-Bangladesh partnership along these lines. First, he spoke about envisioning

a 'plus one' strategy. In the COVID context, a development strategy referred to as 'China plus one' came in the limelight. This refers to a strategy where trade and investment is conducted with just a narrow set of countries at an extraordinary time like a pandemic or in any unforeseen or unpredictable crises in the future where there are risks. Drawing on that analogy, he pondered, what would it take for Nepal and Bangladesh to become each other's plus one?

Dr Wagle reflected that he has been frequently visiting Bangladesh as a trade economist since 2003 and attended a lot of LDC related conferences and World Trade Organization (WTO) rounds. He appreciated the vibrant civil society discussions that take place in the conferences hosted in Bangladesh. Next, Dr Wagle discussed the issue of sub-regional trade and development cooperation through bilateral arrangements. In his opinion, this was a low hanging fruit. He mentioned arrangements like Bangladesh, Bhutan, India, Nepal (BBIN) Initiative, South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). He noted that when it comes to India as a regional power, there is an obvious asymmetry. When BBIN came into the development discourse, it set the stage for greater symmetry and reciprocity. With the economic sub-unit of Northeast India as the linchpin, Bhutan, Nepal, India's North East plus West Bengal and the state of Bangladesh create a certain symmetry. When full-fledged regional cooperation through SAARC or BIMSTEC is not immediately possible, there is tendency to opt for second best resources, BBIN offers that. This can also be the gateway to Southeast Asia which is a much more dynamic sub-region of the Asian continent. A proactive agenda that lowers trade costs, raises competitiveness, runs the tradability of services, especially in energy and tourism, invests in physical infrastructure to connect major centres of commerce and leads people to people's mobility should be worked on.

Based on his previous experience as a researcher and a senior economist at the World Bank, Dr Wagle looked into a common area that India, Nepal and Bangladesh share. He referred to a 2014 paper published by the World Bank. Based on price, employment and production data, two tea producing districts on Nepal's eastern border (Jhapa and Ilam), India's Darjeeling and Uttar Dinajpur and Bangladesh's Panchagarh district were taken to explore whether there is a trade complementarity. The study aimed to see what can happen in an ideal scenario if the current thickness of borders can be thinned or reduced, all the man-made or policy-induced barriers

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be lessened? The study revealed some fascinating numbers and projections. The complementarity between the Nepalese districts, Ilam and Jhapa and the Indian districts is lower than that between the Panchagarh District of Bangladesh and the Indian districts of Darjeeling and Uttar Dinajpur. One is a consumer and one is a producer. Had the borders been more fluid, the consumers would have benefited a lot. In Nepal and India, there were some discussions on tea, milk, meat and potato. Price differences on each of these consumer items were tracked. It was found that there is a significant price wedge between Nepali and Indian districts i.e., of up to 50 per cent. It was up to 90 per cent between Indian and Bangladeshi districts. These wedges could be thinned with policy, and infrastructure. This is where the discussions around the Preferential Trade Agreements (PTAs) come into play. To give formal arrangements through legal architectures and to give certainty to exporters and importers, PTA would indeed be a way forward.



Dr Wagle mentioned that Bangladesh was fortunate as it became a default member of the WTO even as LDC. Countries like Nepal and Cambodia had to negotiate their accession into the WTO. In the period of 2003-2004, a lot of the tariffs were required to be lowered by a vast margin in Nepal. Other Duties and Charges (ODCs) were required to be almost eliminated or eliminated with a time

bound schedule. But Bangladesh, being an original WTO member through its original membership of the General Agreement on Tariffs and Trade (GATT) as part of British India, inherited many of that heavy margin on tariffs as well as ODCs. Dr Wagle acknowledged that it is politically sensitive to undertake tariff, trade and liberalisation reforms. A pragmatic way forward would be to start with an early harvest scheme on the PTAs to identify the win-win products. For example, it could be citrus fruits and yarn. He said that Bangladesh's Prime Minister Sheikh Hasina herself took an interest in the import of yarn from Nepal. Dr Wagle believed, it is important to identify those eight to ten products for both Bangladeshi and Nepali sides. Before undertaking a full PTA, the process can start with an early harvest that instills confidence and assure traders and industries which are often clamouring for domestic protection rights. Dr Wagle was hopeful that this could be a way forward. But at the same time, he realised the need to reduce policy-induced barriers through the preferential trade arrangements.

Next, Dr Wagle spoke about connectivity. He shared that investment in connectivity is extremely important to cut costs, spur growth and foster externalities. Nepal is unfortunately landlocked which is a very distinct development predicament. It is well known in the literature that if a neighbour's economic growth is one per cent in a continuous region, then neighbours tend to grow by about 0.4 per cent. But for landlocked countries like Nepal, that ratio is almost 0.7 per cent. So, if the neighbour's transit infrastructure improves from about 25th percentile to 75th percentile, almost half of that structural handicap just disappears. So, therein lies the mathematical or the economic justification for enhanced connectivity.

Since Nepal and Bangladesh are separated by a very tiny strip of land, the role of the bigger neighbour India becomes indispensable. Here Dr Wagle shared that it was a well-acknowledged fact that bigger countries are often wary of smaller neighbours getting together. The United States (US) during the Cold War years encouraged multilateralism, boosted the multilateral institutions etc., but after the fall of the Soviet Union and the end of the Cold War, it tended to go bilateral. This is a phenomenon associated with all the rising powers or big powers. For smaller countries (in the economic sense) like Nepal and Bangladesh, it is a different issue. Here sub-regionalism and regionalism is seen as a whole that is greater than the sum of the parts. This sort of divergent preference of smaller and bigger countries in the region needs to be reconciled. To do that, the issue of trust is exceptionally

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important. Dr Wagle believed that trust begins through those early harvest skills, through those low-hanging fruits, literally with the case of citrus fruits that can be exported from Nepal to Bangladesh, yarn, digitalisation etc. Here Dr Wagle shared that he frequently uses the Bangladeshi ride sharing company 'Pathao' which is now operating in Kathmandu. He viewed that such small gestures are important because the volume of trade is actually embarrassingly low. He emphasised that much needs to be done in this regard. Homework needs to be done to ease these man-made, policy-induced, geographical and geopolitical constraints.



The next issue Dr Wagle wanted to reinforce is clean energy. Climate change ties the fate of Nepal and Bangladesh. The Himalayan glaciers are melting. Glacier leaks in the Himalayas are of immense threat to the downstream settlements as it causes flooding. Weather patterns are also becoming erratic. Heat stresses on labour productivity, health, crops and livestock are emerging evidence associated with climate change. Here fates of Bengali and Nepali societies are intricately linked. The Himalayas are home to ten major river systems of the world, both on the northern side and on the southern side that support the livelihoods of almost two billion people. Nepal is particularly vulnerable because of its elevation-dependent warming. If the global temperature is rising by 1.5 degrees for the rest of the world, another

0.3 degrees Celsius needs to be added for Nepal because of this phenomenon. There are also dozens of international rivers flowing through Bangladesh which are all intricately linked. Thus, cooling the climate or at least stemming the warming of the planet and moving to non-carbon sources of energy becomes very important if the countries want to accelerate growth and reach high middle-income status.

In this regard, Dr Wagle stated that, every conceivable theory of how to hit net zero by 2050 (a date that many countries have opted for), looks like this: “You make electricity sources clean, you make much more electricity, and you make almost everything that we consume and use run on electricity.” That is perceived as the magic formula. Given Bangladesh’s aspirations to become a high-income society over the next 20-30 years and Nepal’s resources on clean energy, there is a vast potential of trade and joint collaboration. Dr Wagle referred that there has already been abundant discussion on this topic and there are three potential projects in this regard. A few months ago, the power secretaries of both countries agreed to import about 50 megawatts of clean energy from Nepal. The cooperation of India is needed here as Nepal and Bangladesh’s borders are not continuous. India is very positive on this. He referred to the big hydro project, Sunkoshi-III 683 MW Storage Hydroelectric Project which could be jointly undertaken. A preliminary environmental assessment has been conducted. He also referred to the Upper Karnali Hydro project of 900 MW. It was initially destined for exporting to India but the developer has been negotiating with its founder and clients to export more than 50 per cent of that energy to Bangladesh. He hoped that making fast progress on this issue would set a precedent for much deeper cooperation in these areas. Dr Wagle further referred to an informal track two modality conveyed by the World Bank to look at hindrances and allow Bhutanese and Nepali clean energy to flow into neighbouring countries where there is a massive demand. The idea is to eventually think of a sub-regional electricity grid. This is a highly promising area as clean energy is required to power growth aspirations. It is also indispensable to combat climate change.

The final point that Dr Wagle wanted to reinforce was the exercise of soft power through people-to-people links. Tourism is vastly under-tapped. Close to three million Bangladeshis travel abroad as outgoing tourists but only 20,000 Bangladeshis visit Nepal. He was delighted to share that if Bangladeshis need to run away from the summer heat, the cool hill stations of Nepal are there to welcome



them. Tourism, especially eco-tourism could be one of the sources of future development milestones. Nepal would like to do much more in this area. He noted that connectivity has increased than before. Himalayan airlines and Biman are flying much more regularly now. This is a start but allowing passenger traffic by operationalising the motor vehicles agreement can be an early harvest. If the cargo traffic is engendering some anxiety on smaller neighbours like Bhutan and Nepal, connectivity can start with passenger vehicle movement i.e., Bangladeshis driving into Nepal quite easily and Nepalis coming down the boundaries. That reciprocity would set the stage for larger volumes of inbound and outbound tourist flows.

Adding to the issue of people-to-people links, Dr Wagle spoke of the academic exchanges. He shared that many of his friends were trained in Bangladesh and became very competent medical doctors and professionals. This is ongoing and can be deepened. Cultural exchange is happening, but a lot more could be done. He also remarked that the civil society track is exceptionally vibrant. Think tanks like IIDS from Nepal and Bangladesh Institute of International and Strategic Studies (BIISS), Centre for Policy Dialogue (CPD) and Bangladesh Institute of Development Studies (BIDS) from Bangladesh have long associations, although it often gets side-lined in official discourses. But it does a lot to tie researchers, academics and advocates to work together on common issues. There are plenty of common issues that need to be

worked out before going forward with LDC graduation. Bangladesh and Nepal have a common date i.e., November 2026 when both countries are seeking to graduate out of LDC status. There are anxieties on both sides and there are also lobbies to really look into this deeply. This is where shared experiences on the policy minutiae of these complicated issues would go a long way in allaying fears and also looking at the new opportunities that might come as both countries cross this development.

Regarding regional organisation, Dr Wagle spoke about the SAARC headquarters based in Kathmandu and viewed that a lot can be done through it. He noted that many people recognise this was a Bangladeshi and Nepali sort of initiative and there is a lot that ought to be done. BIMSTEC headquarters is in Dhaka. So, there is a lot that could be done on the regional organisation structure.

Before ending his presentation, he referred back to the key question he raised in the beginning, i.e., “What would it take for Nepal and Bangladesh to become each other’s ‘plus one’ in South Asia?” He viewed that the answers or sequence of answers lie in building on the stable and mutually respectful relationship of 50 years on the three sets of issues highlighted during the presentation, i.e., trade and economic cooperation, development cooperation on climate change and clean energy and the exercise of soft power through deeper people-to-people ties. He concluded by hoping for a Bengali-Nepali vision of shared peace, progress and prosperity for the generation in the next 50 years.

Presentation by



Ambassador Mashfee Binte Shams

Rector, Foreign Service Academy, Bangladesh

At the very onset, **Ambassador Mashfee Binte Shams**, Rector, Foreign Service Academy paid homage to the Father of the Nation *Bangabandhu* Sheikh Mujibur Rahman in this month of independence, in this month of his birth, and also in this month of the historic 7th March speech. She then paid tribute to the family members of *Bangabandhu*. She also paid homage to the Liberation War martyrs who laid down and sacrificed their lives to make Bangladesh an independent country. She also paid tribute to the people and the political leadership of Nepal who joined the Bengali people in spirit and extended material help during the Liberation War of 1971. She said that Bangladesh is grateful for that moral support and reminded the audience that in return, though lately, Bangladesh recognised 11 distinguished Nepali personalities and friends of Bangladesh in the year of 2012 and 2013.

She greeted all the guests and audience present and thanked BIISS for organising this seminar, and for inviting her in this auspicious occasion of celebrating the 50th anniversary of the Bangladesh-Nepal relationship. Prior to acknowledging the detailed discussion on Bangladesh-Nepal bilateral relations by the distinguished guests including the three major points identified by Dr Swarim Wagle, she drew an outline on where Nepal stands in Bangladesh-Nepal bilateral relationship.

Ambassador Shams, at first, mentioned about Bangladesh's vibrant foreign policy philosophy 'friendship to all, malice to none' which was enunciated by our father of the nation way back in 1972. She reiterated *Bangabandhu's* thought and vision that the entire South Asian neighbourhood should develop together, and Bangladesh wants to develop by taking all its neighbours together. The vision of *Bangabandhu* was there that Bangladesh would work with its neighbours and this policy of enhanced cooperation with the neighbours is consistently followed by the Prime Minister of Bangladesh.

Ambassador Shams said that under Prime Minister Sheikh Hasina's dynamic leadership, Bangladesh's relations with all the neighbours have developed and strengthened particularly since 2009. She categorically mentioned that Bangladesh was greatly honoured in 2021 when five heads of state and government from the region including the President Vidya Devi Vandari from Nepal joined the celebration of Mujib Chironton and the golden jubilee of the independence of Bangladesh and the birth centenary of father of the nation. This, for her, is an expression of solidarity with Bangladesh and tribute to the father of the nation *Bangabandhu* Sheikh Mujibur Rahman and an act that shows neighbourhood policy was being reciprocated by Bangladesh's neighbours. She added that the close neighbours of Bangladesh contiguously share common rivers, common ecosystem, historical, cultural, linguistic, ethnic and religious ties. These ties often influence the domestic policy that impacts lives. These relationships are dynamic and they are always evolving.

She echoed with Dr Wagle and Ambassador Bhandari on the fact that the relationship between Bangladesh and Nepal dates back to Bangladesh's independence. In fact, the relationship dates back as early as the 11th century when a scholar from Bikrampur Atish Sankara travelled to Nepal on his way to Tibet, where he was going to teach the teachings of Lord Buddha. He stayed for some time in Kathmandu and also in Parmustan. That's where the historical linkage lies between Bangladesh and Nepal. She also mentioned about language that the earliest written script of Bangla—the Charyapadas, actually was found in the archives of Nepal in Kathmandu and they are still in the archives of Kathmandu. With these examples she depicted how old the relationship is and over the years, the relationship has blossomed, and it has strengthened into the status that where it is today.

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Ambassador Shams then shared from her seven years' experience of being in Nepal from 2013 to 2022. She said, during 2013, Bangladesh was importing around US\$ 40 million plus worth products—mainly pulses, and was exporting US\$ 10 million worth of goods—mainly raw jute. Within 2015, it was expanded to US\$ 47 million and Bangladesh started exporting non-traditional items like motorcycles, furniture, pharmaceuticals, electronic products, and food items. These are items she said, Bangladesh does not normally export to any country but because of the high market potential, it increased. Unfortunately, from 1972 to 2014 Bangladesh's exports to Nepal were stagnant at only US\$ 10 million and then it started changing. Out of 40 countries that Nepal traded with, Bangladesh was the only country with which Nepal had a surplus. At that time, she added, Bangladesh offered Nepal a PTA for Nepali products' duty-free quota-free access to Bangladeshi market because Bangladesh felt that both the countries would benefit from it. Unfortunately, both the countries are still discussing the PTA and reaching a concrete understanding is yet to happen. But the good news is that about the ODC and other duties and charges—Bangladesh is willing to be flexible about it. She assures the Nepali side, if officials from both the countries sit together, things will be moving ahead. In this regard, she mentioned that the two sides have established the commerce secretary-level talks, and a joint group of customs officials to work on further, working out the trades, identifying non-tariff barriers and trying to ease the perceived restrictions of trade for both the countries.



Connectivity, Ambassador Shams had been pointed out as the major issue for Bangladesh. She noted Bangladesh, India and Nepal have respectively worked out the means of using the Phulbari-Banglabandha-Panitanki-Kakarvitta corridor and its quite smoothly operational. Because of introducing immigration in the Phulbari-Banglabandha side, she thinks it is become easier for the traders to move their goods and products. She also mentioned that there are two rail interchanges with Birol-Radhikapur and Rohanpur-Singhabad which further enhances the connectivity. The two sides are now talking about establishing air connectivity not only between Dhaka and Kathmandu but also between other regions like Saidpur and Bhadrapur and Biratnagar. If actualised, it will target some most specific regional segments which will be beneficial, she argued. But the biggest connectivity challenge that exists is the connectivity of the minds. She proposed to connect the minds of people at first and to do so, a lot of work still needs to be done.

Ambassador Shams then talked about the trade and said that an MoU for cooperation was signed in 2018. There is a joint steering group and a working group under that MoU. She is hopeful about bilateral cooperation in the area of energy since Bangladesh is looking for green, clean renewable sources of energy to fuel its economic growth and the Nepalese hydropower sector could be the best source in this regard.

About cultural exchange, Ambassador Shams mentioned there is a vibrant cultural exchange going on between the two sides and after many years during the visit of the Honourable President of Nepal, the two sides signed a cultural exchange programme. But even before that, she said there were a lot of artist exchanges going on and cultural groups were visiting the other country—mostly the singers, dancers, and painters. The Nepal Academy, which is a counterpart of our Bangla Academy, is the two premier institutions working to promote and preserve our languages and they have signed an MoU on cooperation, she informed. Also, the Nepal Academy of Fine Arts and the Shilpokala Academy have similar MoU for cooperation. There is also collaboration between the think tanks—BIISS signed an MoU with the Nepal Council of World Affairs. There have been a couple of exchanges between them, but she thinks maybe there is a way to make it more robust.

Ambassador Shams then touched upon defence cooperation. She informed the audience that both Bangladesh and Nepal are the large contributing countries to the UN peacekeeping missions. Bangladesh and Nepal have a vibrant defence exchange.

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The chiefs of the two countries have regularly been exchanging visits and there is a regular exchange of defence delegations. Moreover, exchange of trainees from NDC and the Staff College also takes place regularly. This defence cooperation is a robust mechanism for enhancing and strengthening the relationship, she argued. Along with the formal channels, she also put emphasis on the informal channels since, it is important for better cooperation, and collaboration. To depict the magnitude of mutual cooperation, Ambassador Shams then drew examples from the time of Covid-19 when both countries shared necessary medical equipment between themselves. She said that Bangladesh shared medical equipment, pharmaceutical items, and vaccines with Nepal and Nepal also shared whatever it could with Bangladesh.

Ambassador Shams then pointed out the importance of building partnership between the small neighbours. She said that the ministry remains occupied with the major powers or with bigger neighbours and remains constantly challenged to meet the latest crisis. She argued for building better cooperation with Nepal since both the countries are similar in size, have similar development challenges, and have similar attitudes. She agreed with Dr Wagle that the smaller neighbours can form a partnership. Bangladesh, with its rapidly growing economy, can be a huge market for Nepali products and a very cheap or alternative source of products for Nepali importers. Nepal, is still a largely import-dependent country, imports around US\$ 12-13 billion worth of goods from all over the world. Bangladesh's share here is only US\$ 100 million. She said there is so much more that Nepal can source from Bangladesh for quality products at an affordable price.





The next issue Ambassador Shams highlighted was educational cooperation. In Bangladesh, a lot of Nepali students are studying in many public and private institutions at undergraduate and postgraduate levels. These students come to Bangladesh because Bangladesh is very happy to welcome them. She said that there should be some area where Nepal could be interested to see why so many students are coming here and suggested Nepal to pay a little bit more attention to Bangladesh in this regard. She added that, Bangladesh can also offer itself as a base for investors from Nepal to invest and export to third countries. Nepal can use Bangladesh as a gateway since, Bangladesh is so uniquely positioned as the hub of South and Southeast Asia. It is connecting the Himalayas to the Bay of Bengal and it is right there in the centre. Bangladesh has offered the ports of Mongla, Chattogram, Payra to use and when Matarbari deep seaport comes into effect, that too. Because of all the infrastructure development that is going on in Bangladesh, she argued, connectivity is no longer a challenge in Bangladesh.

On the way forward, Ambassador Shams said that there is significant political goodwill that is evident. There are high-level exchange visits. The Honourable Prime Minister of Bangladesh has always expressed keenness to develop relations with Nepal. She thinks, to take this relationship forward, strengthening the institutional mechanisms is a way out. She also suggested regularising foreign office consultations,

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and commerce and power secretary-level talks. Then, she emphasised on fostering communication exchanges between parliamentarians, lawmakers, and people who can influence ideas or political parties. She said that the business communities must engage more. In Bangladesh, there is still an idea that Nepal is a small market largely dominated by the US and it will not be profitable to go to Nepal. But, she said, whenever any Bangladeshi entrepreneurs have ventured into Nepal, they have had a good experience and they have expanded very quickly their operations. Thus, she thinks that the business chambers and the apex bodies should be paying more visits to Nepal and consider building business relationships with Nepal. Regarding tourism, Ambassador Shams said that Nepal could be growing a lot more by attracting people from Bangladesh.

Finally, because of having a common agenda and common aspirations, she believes Nepal and Bangladesh must work together in the region and in the multilateral fora. Regionally, as the headquarter of SAARC is in Nepal and Bangladesh is the Secretariat of BIMSTEC, she thinks the two capitals can collaborate to strengthen regional integration and cooperation and drive the region forward. Sub-regionally, the BBIN has been floating for quite a long time. The progress is, she labelled as frustratingly slow, but Bangladesh is optimistic since it makes so much sense. In other multilateral fora, there are so many areas where Bangladesh and Nepal can work together including development financing, and climate change. In case of migration, she said both Nepal and Bangladesh are labour-sending countries which is also a potential area of cooperation. Being the members of the Colombo process and being large troop-sending countries to the UN, both the countries can cooperate with greater magnitude. In multilateral fora, she argued, both Nepal and Bangladesh can work together collectively for peace, progress and prosperity. She thinks it is a very achievable target if only both Nepal and Bangladesh manage to pay a little bit more attention to each other.

Open Discussion



Ambassador Md Abdul Hannan opined that there seems to be an inertia of mindset not to move ahead in the direction of achieving true potential of Bangladesh-Nepal relations. He referred to Dr Wagle's mention of 'India plus one' strategy and shared that both Bangladesh and Nepal understood this process very well. He also referred to the Father of the Nation *Bangabandhu* Sheikh Mujibur Rahman who made a clarion call that we must grow together otherwise our posterity will not forgive us. Ambassador Hannan was aggrieved at the embarrassingly low trade situation. He stated,

"We call it friendship, we cherish it. But is it true to its potential? No!" He viewed that it is time that the two countries, Nepal and Bangladesh, believe in multilateralism, believe in regional cooperation and believe in these in order to be a rich country and developed economy by 2043 and 2041 respectively. He also pondered if it is time to leave Preferential Trade Arrangements (PTA) aside and think of Free Trade Agreement (FTA). He suggested cooperation for tourism purpose with the joint ventures either in Nepal or in Bangladesh. He believed that this is the only way justice could be brought to the aspirations of the peoples of the two countries.

Mr Salahud Din Ahmed, former Member of Bangladesh Energy Regulatory Commission, referred to Ambassador Shams's statement of practicing defence cooperation between Bangladesh and Nepal to send assistance during Nepal's crisis. He opined that through such activities and attitude, things could be made easy and simple, putting the red tapes aside. Only then, the low-lying fruits mentioned by Dr Wagle could be harvested. Regarding the organisations mentioned in people-to-people ties, he suggested adding Bangladesh's Shilpokola Academy.





Ambassador Mahbub Uz Zaman, former Secretary (Asia-Pacific), Ministry of Foreign Affairs, recalled his visit to Nepal in 2018 where he visited Lumbini, the birthplace of Gautam Buddha. There was an agreement to give a plot of land. Many Buddhism practicing countries have established their mausoleum and monuments over there. He acknowledged that Ambassador Mashfee had steered this forward in a progressive manner. He asked for updated information regarding that. He also reflected on the priority areas mentioned by Dr Wagle, i.e., economic and trade, clean energy

and soft power cooperation. He suggested exploring migration as part of it as it can be a win-win situation. He referred to Abhijit Banerjee's book 'Good Economies for Hard Times' where the author clearly said that in contrary to the belief that migration is bad, it can have a positive impact on the world economy and wages. It creates job and employment opportunities.

Mr Gunjan Bahadur Dallakoti from International Labour Organization (ILO) Dhaka asked about what bilateral efforts have been taken to reduce the thick border between Nepal and Bangladesh.





Professor Dr Abul Kalam Azad, Department of International Relations, Jahangirnagar University directed his question to Dr Wagle. In his presentation, Dr Wagle mentioned that there is a tendency among small powers to get together against the regional power. Professor Azad opined that this view is not right. Based on his PhD research on regional power titled ‘India’s role as a regional power in South Asia: The responses of Pakistan and of Bangladesh’, he found that nowhere in the world have the small powers get together against the regional power. In the case of South Asia, the question does not arise at all. The geographical location is dispersed, no one except India, shares a common border, so there is no question. He also commented on sub-regional cooperation that SAARC is dead and it cannot work anymore. He expressed his dissatisfaction at the lack of progress of initiatives such as South Asian Growth Quadrangle (SAGQ), BBIN, hydroelectricity, promise to give Nepal access to port facilities etc., BIMSTEC is still living and he looked forward to seeing what happens in future. Professor Azad raised several questions like—where the problem lies? Why have not these projects been materialised? What went wrong on the way? Why have not we been able to realise SAGQ and BBIN, etc.?

Responses by the Speakers



Dr Swarnim Wagle, Chair of the Institute for Integrated Development Studies (IIDS) in Kathmandu, initially reflected on the issue of inertia of mindset and commented on whether Nepal and Bangladesh can envision a more ambitious arrangement instead of only focusing on a Preferential Trade Agreement (PTA). He believes that there is a continuum in this regard, starting with a PTA, followed by a Free Trade Agreement (FTA) or perhaps an Economic Partnership Agreement (EPA), and eventually leading to a Customs Union with shared external tariffs. However, he emphasised that there is no one-size-fits-all framework, and a model that worked in one region might not be directly applicable in another.

Dr Wagle argued that the name of the arrangement is not important; rather, it is crucial to make the arrangement comprehensive. It is possible to devise a name, such as the Nepal-Bangladesh Partnership or something similar. As long as both countries are clear on the terms, the coverage, the sequencing, and the liberalisation, the specific name is up to them. To begin with, he believes, it is important to establish trust between the countries, build confidence, and set milestones, such as reaching a specific goal in 20 years. He encouraged others to adopt an optimistic view of the relationship and perceive the situation not as half-empty, but as half-full. With a positive mindset, Dr Wagle believes both countries will be able to overcome the inertia of mindset.

On the subject of similarities, he expressed gratitude to Ambassador Mashfee for drawing attention to the 2015 earthquake cooperation episode and emphasised the significance of disaster preparedness collaboration between the two countries. He shared his opinion that Bangladesh is performing exceptionally well in this area. Beyond disaster management, there are other fields, such as climate change and clean energy, where Nepal and Bangladesh can collaborate effectively.

While addressing the topic of Lumbini, Dr Wagle mentioned that Nepal welcomes all friendly countries to establish a presence in Lumbini. The country has a grand vision of transforming Lord Buddha's birthplace into a global centre. Nepal recently constructed an international airport there, with the hope that countries, including Bangladesh, will fly chartered planes and land in Lumbini. Thus, Nepal has opened a new avenue for the rest of the world.

On migration and remittances, Dr Wagle believes that both Nepal and Bangladesh can learn from each other in this regard. He praised Bangladesh's initiatives for utilising remittances in its socioeconomic transformation and emphasised how Nepal could learn from that, as well as from other countries like India and the Philippines, among others. Remittances have become a crucial aspect of countries' development strategies. He believes that a vibrant civil society and think tank network exists in the region. Notable think tanks in Bangladesh have relationships with influential think tanks in Nepal and the rest of South Asia. He stressed on the importance of these connections and believes there is always room to do more.

Before concluding, Dr Wagle commented on the issue of regionalism and the complexity of tensions between small and large countries in the region. He believes that there are examples of major powers that have adopted a very generous, non-reciprocal stance with their immediate neighbours. This kind of relationship would create a conducive environment for deeper engagements between the countries in the region.



H E Mr Ghanshyam Bhandari, Ambassador of Nepal to Bangladesh, described the Nepal-Bangladesh relationship as problem-free and trouble-free, which is evident in the presentations given during the seminar. The speakers acknowledged the potential of this partnership and emphasised on the importance of focusing on specific projects and outcomes. He humbly disagreed with the notion of inertia, as he believes that Nepal and Bangladesh have much to discuss regarding cooperation, with collaborative efforts spanning across various sectors. He highlighted key areas of cooperation, such as trade and investment, tourism, energy, connectivity, and the BBIN initiative, which he believes will be crucial in the future. This enthusiasm and willingness to cooperate reflect not only the position of the governments but also the desires of the people. The closer and more connected the people are, the greater the need for increased partnership. He said that the questions from the audience and the seminar presentations revealed a common theme: a strong desire to enhance the partnership between the two countries.

Moving forward, Ambassador Bhandari suggested that both nations need to plan better for the future. While 40 to 50 megawatts of electricity may seem insignificant given Bangladesh's energy needs, it would hold tremendous symbolic importance for the bilateral relationship and regional cooperation. He observed that Nepal and Bangladesh are more or less on the same page, with no significant

differences. Both countries are aware of the challenges they face and hope to work together to overcome them and achieve concrete outcomes in the next 10, 15, or 20 years of their relationship.



Ambassador Mashfee Binte Shams, Rector, Foreign Service Academy in Bangladesh, addressed the question regarding Lumbini and mentioned that Bangladesh signed an MoU with Lumbini Development Trust in 2021. She added that Bangladesh is now finalising the project to start building a monastery there. However, due to the present austerity measures, she was not sure how quickly the project would be completed. In Lumbini, Bangladesh will definitely have its presence, she added.

She reminded the audience to put things into perspective when talking about Bangladesh-Nepal relations. Bangladesh is a young country, and only recently, since 2009, the country has started focusing on enhancing and strengthening its relations with neighbours. She mentioned that Bangladesh has other preoccupations, which sometimes distract it from focusing on meaningful engagement with its neighbours. Nepal has also been going through a long transition. So, it is important to give the country some space and time to feel comfortable and ready before taking the relationship to the next level.

Speech by the Chief Guest



H E Dr A K Abdul Momen, MP

Honourable Foreign Minister

Government of the People's Republic of Bangladesh

Honourable Foreign Minister of Bangladesh **Dr A K Abdul Momen, MP**, at the outset thanked Bangladesh Institute of International and Strategic Studies (BIISS) and the Embassy of Nepal in Bangladesh for organising this special event to celebrate the 50-years of Bangladesh-Nepal friendship. He said that the month of March is very close to heart because of three events—7 March for the historical speech, 17 March for the birth anniversary of the Father of the nation *Bangabandhu* Sheikh Mujibur Rahman, and 26 March for declaring the independence of Bangladesh. What makes this event special is, both countries are celebrating the 50th anniversary of friendship in this significant month. He praised all the discussions that took place and hoped that BIISS may come up with some action-oriented recommendations for moving forward.

The Honourable Foreign Minister expressed his gratitude to Nepal for recognising Bangladesh as an independent and sovereign country in 1972. He reminded the audience that, Bangladesh awarded 11 distinguished Nepali personalities with the highest honour 'Friends of Bangladesh' and said that

Bangladesh always tries to remember the Nepalese and till today Bangladesh is indebted to them.

About the relationship between Nepal and Bangladesh, Dr Momen said that it is quite solid, but it should have been enhanced and strengthened further. He was delighted as the Nepali President visited Bangladesh in 2021 when Bangladesh was celebrating its 50th anniversary of independence and the 100th birth anniversary of the Father of the nation *Bangabandhu* Sheikh Mujibur Rahman. At that time, Dr Momen informed the audience that, Honourable Prime Minister of Bangladesh said to the South Asian leaders that Bangladesh has achieved relatively good progress and doing well in terms of GDP growth, per capita GDP, and other social indicators. Bangladesh, from a US\$ 90 billion economy, is now a US\$ 465 billion economy. But she informed the South Asian leaders that, despite such significant growth, it will not be sustainable unless the whole region prospers together. She, in fact, was promoting the concept of shared development and prosperity.

Dr Momen said that Bangladesh looks forward to having a shared prosperity. The prosperity of only one nation, he thinks, may not be very sustainable unless all the countries of the region put a little more emphasis on shared prosperity. He said he is very uncomfortable with the fact that Bangladesh is still trying to develop a good relationship with all the neighbours. He thinks, countries of this region more or less have a similar situation and wished for a visa-free region including countries like Bangladesh, India, Nepal, Bhutan and others. For him, this will reflect that neighbours of this region are good friends.

Honourable Foreign Minister thinks that Bangladesh and Nepal are very close and many things like geographical size are similar though the population is much less in Nepal. On top of that, both the countries are graduating by 2026. He considers this as an area where Bangladesh and Nepal can work together. In the LDC-5 conference, he sent a message to the world that graduation must not be punished. For him, instead of being rewarding, things are designed in such a way that, if one country graduates, it would be successful then it is supposed to be punished. That should not be the way out, he thinks and considers that Bangladesh and Nepal and other countries who are graduating should take a stand and try to see a way out that the graduation must not be a punishment. Because the day a country graduates, it will be losing a lot of benefits that it used to enjoy. This, he identifies,

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is the area where Bangladesh and Nepal can work together so that the goals can be achieved.

Dr Momen said it is very unfortunate that over the last 50 years, only a few countries have graduated from the LDC category. During the last 11 years, only three graduated although during the fourth LDC summit in Istanbul, it was hoped that out of the total 48 LDCs, 25 would graduate. But in reality, only three countries have graduated, and few others are in the process. This for him, is because the intentional mechanism and the trade regime that are in place supposed to help LDCs to graduate are not working. He sought to make big noises about it that, there should be a change in those areas.



Dr Momen said Bangladesh economy is performing well and to substantiate, he referred to an IMF report. Because of better performance, he thinks more opportunities are unfolding. He hopes that by 2041, Bangladesh will be a smart developing country with smart people, smart productive capacity, and smart students. In this regard, he noted that Bangladesh is working very hard and asked Nepal to come forward. He added that Bangladesh and Nepal can share expertise in the IT sector. He suggested Nepal to come forward with their energy supply. He, at this juncture, referred to the joint venture of Bangladesh-India-Nepal to

build one small powerplant of only 50 megawatts worth. As it is taking too much time, he asked for changing the mindset and to forget about the practice of inertia. He also brought up the issue that, even after trying for so many years, there is no FTA or PTA. He strongly suggested that countries should move faster, not only for individual countries, but also for the whole of the region.

The Honourable Foreign Minister then said that under the leadership of Honourable Prime Minister Sheikh Hasina, Bangladesh has done miracles like building its own metrorail, and making Padma bridge with its own money. He added that Bangladesh also almost finished the underground tunnel which is the first of its kind in the South Asian region. He said that Bangladesh could achieve all these only because of the good leadership and the courage of the Honourable Prime Minister Sheikh Hasina. Referring to these achievements of Bangladesh, Dr Momen said that it is time for the neighbours of Bangladesh to take big steps. He said, instead of looking at the past 50 years, he would like to look forward—towards the next 50 years, and the next 50 years, he thinks, have so much potential, mostly untapped.

Dr Momen identified energy and tourism as promising areas with potential for bilateral cooperation. In the area of tourism, he said, there are plenty of scopes. He particularly mentioned religious tourism and said that Bangladesh and Nepal hold immense potential for growth and development in this regard. He is happy with the fact that the Bangladesh government is now planning to construct a monastery in Lumbini. He said that promotion of religious tourism between these two countries could bring about greater cultural exchange, enhanced people-to-people contact, and boost economic growth.

About BBIN, the Honourable Foreign Minister said that it is not working well but it should be operative. He strongly asked for ensuring better road, and air connectivity. He informed the audience that Bangladesh has offered Nepal to utilise the sports facilities. He is disheartened about the fact that the total trade between Bangladesh and Nepal is as low as US\$ 110 million. He thinks it should be five to six times more and there are scopes for achieving it if both the countries work harder, change mindset, and remain sincere. He asked the Ambassador of Nepal to Bangladesh to help to increase the two-way trade by recommending the government of Nepal to have a PTA at first and then to go for an FTA very soon because, for him, this is a major way to increase the two-way trade.



Dr Momen informed that Bangladesh has a very good arrangement in the IT sector, and Bangladesh wants to share it with Nepal. To exhibit the magnitude of solidarity, he referred to the Covid-19 period when Bangladesh shared the Covid-19 vaccines with Nepal. He added that when Nepal found it difficult to get their goods in Nepal, Bangladesh allowed Nepal to use Saidpur Airport of Bangladesh for all the relief work.

About the area of education, he informed that, currently, Bangladesh is hosting many students from Nepal mostly in medical education. He said that Bangladesh warmly welcomes Nepalese students for other areas as well, in engineering and in other universities. He asked the Ambassador of Nepal to take initiative in this regard and suggested that the current Nepalese students studying in Bangladesh can be the ambassadors in the process. He wants two to three thousand Nepalese students studying in Bangladesh.

About BBIN, he thinks, with the support of Nepal, Bangladesh can push BBIN to be more operative. Though equivocal about SAARC, he thinks with Nepal and Bangladesh's joint effort, some goals can be achieved in the BIMSTEC areas. Another area of cooperation he identified is migration. This is an important issue and close to the Nepalese government. In this area, Bangladesh agrees to have the

regulated orderly migration and the Honourable Foreign Minister expects Nepal to come forward in this regard.

Following the dream of the Father of the Nation, if Bangladesh and Nepal can work together, Bangladesh may ensure *Shonar Bangla* and the neighbours like Nepal can ensure a prosperous region. Government of Bangladesh is confident that if both the countries work together in the spirit of friendship, it will be possible to ensure a peaceful region as a whole. Bangladesh believes regional peace and stability is essential for a sustainable growth trajectory.



Concluding Remarks



Major General Sheikh Pasha Habib Uddin, OSP, SGP, BAMS, afwc, psc
Director General, BISS

In his concluding remarks, **Major General Sheikh Pasha Habib Uddin**, Director General, BISS expressed his heartfelt gratitude to Honourable Chief Guest Dr A K Abdul Momen, MP for sparing his valuable time and also for his seminal speech. Also, he conveyed his thanks to H E Ambassador Ghanshyam Bhandari for his valuable inputs. He gave special thanks to the distinguished speakers Ambassador Mashfee Binte Shams and Dr Swarnim Wagle for enlightening the audience about different aspects of Bangladesh-Nepal bilateral relationship. He expressed hope that the policy makers would find significant directions from these deliberations to move forward and enhance the relationship between the two friendly countries further.

He also highlighted that South Asia is one of the least connected regions in the world. Therefore, regional and sub-regional platforms could work as a lifeline for development aspirations of the countries of this region. As a result, bilateral relationship will also be cemented based on the common interests generated through those platforms. Bangladesh and Nepal should focus more on connectivity and explore new avenues of cooperation as well as tap the maximum mutual benefits from the existing architecture of bilateral relations and partnerships.



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