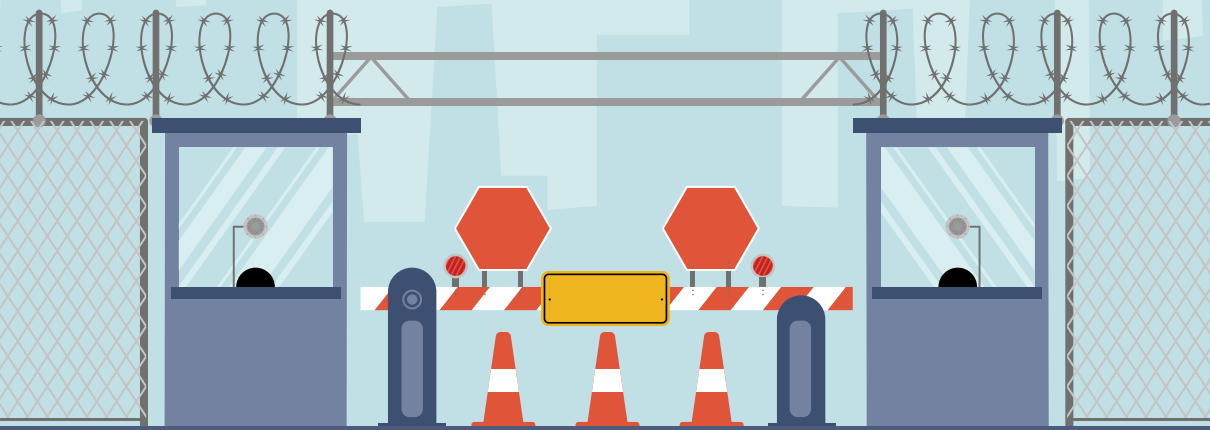


EVOLVING NEPAL-CHINA CROSS-BORDER RELATIONS & ITS IMPACT ON BORDERLAND CITIZENS



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Editor

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Published by

Centre for Social Inclusion and Federalism (CESIF)

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Printed and bound by: Pentagram Pvt. Ltd., +977 1 5448180

ISBN 978-9937-9630-1-5

Acknowledgment

We thank Prashanti Poudyal, Shila Devi Parajuli, and Prabisha Basnet for their primary responsibility for research and authorship of this publication. We acknowledge Arpan Gelal for editing this publication. We particularly appreciate Amish Raj Mulmi's review and comments on the draft report. We also thank Ajaya Bhadra Khanal for his advisory role on this research project.

Additionally, we acknowledge the key informants, including politicians, serving and former bureaucrats, journalists, civil society members, representatives of the security forces in Kathmandu and bordering districts, and local inhabitants in the borderlands.

Vijay Kant Karna
Executive Chairperson
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Preface

This research report by the Center for Social Inclusion and Federalism (CESIF) examines the status of border dynamics and the impact of border control on three border points between Nepal and China: Rasuwagadhi-Keyrung (Rasuwa district), Kodari-Zhangmu (Sindhupalchok district), and Nechung-Lizi (Mustang district). The study compares and analyzes the unique dynamics at each of these border points, as well as the impact of border control on changing livelihood measures and gender and social inclusion.

Each of the three border points selected for this research is unique. Rasuwagadhi-Keyrung became an international border point in 2017. Kodari-Zhangmu, once a bustling hub of trade and exchange, lost its significance after the 2015 earthquake, when it was unilaterally closed by China, resulting in a complete halt to trade and people's movement. Nechung-Lizi, a sensitive border point due to China's security concerns, used to open twice a year during the trade fair for people's movement, but has been completely closed since 2020.

Recent years have seen significant development at these border points. China, with its dominant position due to its stronger economic and military power, has been taking unilateral decisions on border operations in the region. Nepal, a landlocked country, needs its neighbors to cooperate on trade and transit. However, China's unilateral border decisions have met with frustration and discouragement from traders, the general public, and politicians in Nepal. This research report analyzes the status of border dynamics and the impact of China's unilateral border actions on borderland residents at the three border points discussed above.

The field study was conducted from March to August 2023. Primary data and information from the northern bordering districts were studied, evaluated, and analyzed. Secondary data and information were gathered through different books and historical accounts, previous research studies, and media reports. CESIF researchers conducted extensive interviews with a large number of experts and stakeholders in Kathmandu and the field study sites, including politicians, bureaucrats, experts, journalists, academicians, local government officials, border officials, customs and immigration officers, and members of civil society. Household surveys were also conducted in the selected districts to understand the perceptions of borderland residents. In addition, focused group discussions and consultative meetings were held with stakeholders to understand the impact of border control on the livelihoods of borderland citizens and the changing gender and community dynamics.

We believe the study will be valuable to understand the changing dynamics of Nepal-China border in historical and current context and its impact on the livelihood of border residents over time.

Acronyms

ACAP	Annapurna Conservation Area Program
APF	Armed Police Force
BRI	Belt and Road Initiative
CCP	Chinese Communist Party
CIDCA	China International Development Cooperation Agency
CIA	Central Intelligence Agency
CSOs	Civil Society Organizations
CPC	Communist Party of China
GESI	Gender Ethnicity and Social Inclusion
JTC	Joint Technical Committee
KGB	Committee for State Security
KII	Key Informant Interview
MoU	Memorandum of Understanding
PLA	People's Liberation Army
PRC	People's Republic of China
RCs	Refugee Certificates
TAR	Tibet Autonomous Region
TTA	Transit and Transport Agreement
UNHCR	United Nations High Commissioner for Refugees

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Executive Summary

Nepal-China cross-border relation, once characterized by thriving trade ties and religious exchanges with Tibet, have evolved significantly since the 1950s and is no longer as vibrant as it once was. The annexation of Tibet and subsequent events such as the Khampa Guerilla Movement and the Karmapa Lama escape led to China's suspicion of the border region, which resulted in increased border officials, tighter restrictions on border movement, and stricter border regulations. As a result, trade and religious ties in the northern frontier have declined over time.

China's unilateral approach to border regulation and random border closures have been underlying factors in the evolving Nepal-China cross-border ties, having a significant impact on the economy and cross-border ties of the northern frontier. The Dalai Lama factor is one of the most significant political impediments to Nepal-China relations. China regards reverence to the Dalai Lama in the northern frontier of Nepal as equivalent to the support for the cause of Tibetan independence, and hence perceives it as a security threat.

After the 2015 earthquake, China has prioritized the Rasuwagadhi-Keyrung border over the Kodari-Zhangmu border at Tatopani, Sindhupalchowk, the major trading border between Nepal and China. Borderland residents in Sindhupalchok have faced significant challenges since the 2015 earthquake, which led to the closure of border for almost eight years. Cross-border trade resumed in May 2023, but many young people have emigrated in search of better employment opportunities. Others have shifted to other livelihood measures such as homestay tourism and internal trade. Cross-border trade via Rasuwagadhi-Keyrung has increased since 2015, with imports accounting for 8.5% of the total imports from China in 2015/16.

In Mustang, trade fairs, which were a major source of income for the local residents and the only times when Upper Mustang residents could trade cross-border, were severely disrupted by the Covid-19 pandemic which led to the halt of the trade fairs. Cross-border trade in the area has been completely halted since 2020.

Cross-border movement of borderland residents, which was thriving before 2015, has been halted across Nepal-China border points. Even though cross-border trade has resumed in full swing in Rasuwa and intermittently in Tatopani, people's movement has been restricted or made difficult in some way. This has led to a halt in cross-border marriages and cultural exchanges.

The livelihood patterns in the northern bordering districts have changed significantly over the years. Due to unilateral border closures, stricter restrictions on cross-border movement for locals, and declining cross-border trade, borderland residents have abandoned their traditional livelihood measures based on cross-border trade and opted for other means. In some western northern regions, such as Mustang, tourism has become a major source of income. Emigration from the borderland region, both within and outside the country, is now a common phenomenon. The borderland region is now mostly populated by older citizens, while young people have migrated abroad in search of better opportunities.

Nepal-China cross-border ties are not limited to formal channels; historically, informal cross-border ties were also prominent. However, over the years, China's tightening of border management has led to a decline in informal cross-border exchanges. While the border between Nepal and China was still regulated, it was less controlled in the past, allowing for more informal cross-border ties. However, over time, more and more regulatory measures with stringent border mechanisms were put in place. This was important from a security perspective of China, particularly the Tibet sensitivity, but local residents had to adjust to the new realities. Even worse, China's unilateral border closures have disrupted provisions in place to facilitate formal cross-border engagement for borderland residents. For example, those residing in bordering districts of China were previously able to travel up to 30 kilometers across the border, but this was no longer possible when China closed the border points.

A. Background

A.1 Historical Nepal-Tibet Ties

Nepal and Tibet have had close religious and trading ties for centuries. The Nepali princess Bhrikuti is said to have played a key role in the flourishing of Buddhism in Tibet when she married the Tibetan King *Srong-bTsang-sGam-Po* during the seventh century.¹ Kathmandu was an important hub for Buddhism at that time, which became an important factor to strengthen cross-border ties with Tibet.² The Buddhists of Nepal contributed to the Mahayanist Movement in Tibet, which is now the dominant form of Buddhism in the Himalayas. While the cultural exchange of Buddhism was the foundation of Nepal-Tibet ties, Trans-Himalayan trade simultaneously took place at almost every point along the northern border.³ Nepal valley's trade with Tibet flourished during the Malla era⁴. With the opening of the Keyrung route in the 17th century, Kathmandu acted as the prime entrepot for trade between Tibet and India.

Nepal played an important role in the development of Buddhism and the Buddhist heritage in Tibet.⁵ The blue, red, and white annals (*deb-mther-ngon-po*, *deb-mther-dmar-po*, and *deb-mther-dkar-po* respectively), eleventh, thirteenth and nineteenth century Tibetan texts, and the Tang and Tung-huang annals, seventh-eighth century Chinese texts, all mention that the daughter of the then Nepali King Amsuvarman ('*od-gser-go-ca* in Tibetan sources) known as *kbro-gner-ma* (Bhrikuti) in Tibetan sources, was married to Tibetan King *srong-btsang-sgam-po* (618-712).⁶ The same source cites that the Nepali princess took Buddhist images and few other important religious artifacts as a gift to Tibet from Nepal.⁷

1 Dukpa, Zangley. "The History and Development of Monastic Education in Bhutan." *Education in Bhutan: Culture, Schooling, and Gross National Happiness*. Edited by Mathew J. Schuelka and T.W. Maxwell, Springer Singapore, 2016.

2 Dhungel, Ramesh K. "Nepal-Tibet Cultural Relations and the Zhva-Dmar-Pa (Shyamarpa) Lamas of Tibet." *Contributions to Nepalese Studies*, 26.2, 1999.

3 Mulmi, Amish Raj. "All Roads Lead North: Nepal Turn's to China". *Oxford University Press*, 2022.

4 Mishra, Tirtha P. "Nepalese in Tibet: a case study of Nepalese half-breeds (1856-1956)." *Contributions to Nepalese Studies*, 30.1, 2003.

5 Dhungel, Ramesh K. "Nepal-Tibet Cultural Relations and the Zhva-Dmar-Pa (Shyamarpa) Lamas of Tibet." *Contributions to Nepalese Studies*, 26.2, 1999.

6 Ibid.

7 Dhungel, Ramesh. "नेपाल-भुटान सम्बन्धलाई प्रकाश पार्ने थप सन्धर्व." *Nepal Economist*, 1986.

Subsequent centuries saw a significant increase in the exchange between Nepali Buddhist Vajracharya priests, artists, architects, etc. and Tibetan lamas, tantriks, and doctrinal pupils. A strong presence of Tantric Buddhism in Tibet led Nepali scholars to visit the country for religious and scholarly purposes. Similarly, Tibetan monks would come to Nepal for pilgrimage and to pursue Buddhist education. Kathmandu Valley developed as an important Buddhist pilgrimage and education center from the tenth century CE onwards.⁸ Trade and commerce accompanied this increase in cultural exchange.

The Gorkha and Malla rulers' occupation of the Keyrung and Kuti trade routes in the 17th century demonstrated Nepal's growing assertiveness in its trade with Tibet. In retaliation for Gorkha King Ram Shah's capture of Keyrung, Bhim Malla helped his brother, King Pratap Malla of Kathmandu, capture Kuti, another important trade route. That led to Bhim Malla negotiating a peace treaty with the then-Dalai Lama in Shigatse.⁹ Kantipur (now Kathmandu), exploited Tibet's political instability to coerce it into signing a peace treaty (sometime between 1645 and 1650), that was favorable to Nepal's interests.¹⁰ The Peace Treaty largely supported Newari merchants in Lhasa, permitting them to establish 32 *kothis* (trade-marts) in Lhasa, as well as not having to pay customs duties on goods bought and sold, however, that applied to all Nepali merchants. Furthermore, as per the Peace Treaty, Tibet was to pay for coins minted in Nepal, bearing the name and symbols of the Kathmandu King. Although Nepal's sovereignty over Keyrung and Kuti remained only for a quarter of a century, Nepal's minted coins were used in Tibet for more than a century.¹¹

After the Shah King Prithvi Narayan Shah replaced the Mallas in 1768, Nepal continued to mint coins for Tibet. Threatened by the East India Company on the south, the Gorkha King drove out Kashmiris and Gosains¹² out of Kathmandu valley in order to control Trans-Himalayan trade through Nepali territory. Nepal's

8 Ibid.

9 Uprety, Prem Raman. "Nepal-Tibet Relations, 1850-1930: Years of Hopes, Challenges, and Frustrations." *Ci.nii.ac.jp, Puga Nara*, 1980.

10 Mishra, Tirtha P. "Nepalese in Tibet: a case study of Nepalese half-breeds (1856-1956)." *Contributions to Nepalese Studies*, 30.1, 2003.

11 Uprety, Prem Raman. "Nepal-Tibet Relations, 1850-1930: Years of Hopes, Challenges, and Frustrations." *Ci.nii.ac.jp, Puga Nara*, 1980.

12 Kashmiri and Gosains migrated to Nepal in order to benefit from the Nepal-Tibet trade.

monopolization of Trans-Himalayan trade and debased coins¹³ became one of the causes of war between Nepal and Tibet in 1788-1789¹⁴. The war led to the signing of the Treaty of Keyrung which was again in favour of Nepal. The treaty dictated Tibet to pay an annual tribute of NPR 57,600 to Nepal and Tibet agreed to conduct all trade with South Asia via Kathmandu. The treaty also allowed Nepali men to marry Tibetan women, alongside ensuring Nepalese citizenship to male-child birthed from the marriage.¹⁵ However, the treaty didn't last long as a second war occurred in 1791-1792, this time with the involvement of the Qing Army.¹⁶

The Sino-Nepal War of 1791-1792 resulted in the signing of the Betrawati Treaty among Qing Dynasty of China and Nepal, under which Nepal would send quinquennial missions with gifts to Peking, China until 1906.¹⁷ Even though Nepal regarded these to be trade missions, the Qing Dynasty regarded them as tribute missions.¹⁸ The Treaty included terms such as future issues between Nepal and Tibet would be adjudicated by the *Amban* (Chinese envoy in Lhasa); the border between Nepal and Tibet would be set by China; and Nepal would not claim any territory over the border passes of Kuti and Keyrung.¹⁹ Subsequently, Qing China was able to assert dominance over Nepal-Tibet relations. Nepal sent a total of eighteen quinquennial missions to China.²⁰ China from hereon began to consider Tibet as part of its frontier security system.²¹

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- 13 In order to save money, King Pratap Malla mixed copper with silver coins to finance his war with the Gorkha King, Prithivi Narayan Shah. When Prithivi Narayan Shah later won the war, he stopped debasing the coins, but the damage was already done. The debased coins that Nepal had sent earlier continued to stir tensions between the two countries.
- 14 Uprety, Prem Raman. "Nepal-Tibet Relations, 1850-1930: Years of Hopes, Challenges, and Frustrations." *Cinii.ac.jp, Puga Nara*, 1980.
- 15 Mishra, Tirtha P. "Nepalese in Tibet: A Case Study of Nepalese Half-Breeds (1856-1956)." *Contribution to Nepalese Studies*, 2003, himalaya.socanth.cam.ac.uk/collections/journals/contributions/pdf/CNAS_30_01_01.pdf. Accessed 14 Sept. 2023.
- 16 Manandhar, Vijay Kumar. "A Comprehensive History of Nepal-China Relations up to 1955 AD." *Adroit Publishers*, 2004.
- 17 Manandhar, Tri Ratna, and Mishra, Tirtha P. *Nepal's Quinquennial Missions to China. Mandala Book Point Nepal*, 2020.
- 18 Rana, Samar SJB. "Considering the Nepal-China Border - the Record." *Record Nepal*, 3 Nov. 2020, www.recordnepal.com/considering-the-nepal-china-border. Accessed 15 Sept. 2023.
- 19 Manandhar, Vijay Kumar. "A Comprehensive History of Nepal-China Relations up to 1955 AD." *Adroit Publishers*, 2004. Accessed 14 Sept. 2023.
- 20 Manandhar, Tri Ratna and Mishra, Tirtha P. "Nepal's Quinquennial Missions to China." *Mandala Book Point Nepal*, 2020.
- 21 Rose, Leo. "Nepal: Strategy for Survival." University of California Press, 1971.

A.2 Trade and Khacharas

Trade served as an important connection between Nepal and Tibet until the middle of the 20th century. The foundation of this trade was the barter of food grains for salt. Nepal exported rice and other food grains to Tibet, owing to its infertile land where agricultural productivity was low, while it imported salt from Tibet. There are records of Nepali traders settling in Lhasa in large numbers, whose male children born out of their relationships with Tibetan women were colloquially known as 'Khacharas' (Khachars meaning mule in Nepali).²²

Under the Khachara system, male children born to Nepali fathers and Tibetan mothers were considered Nepali citizens, while female children were considered Tibetan citizens. Khacharas were often descendants of Newar merchants, and were almost always Buddhist. The Tibetan government agreed to accept Khacharas as Nepali subjects and granted them the same privileges and facilities as Nepali traders in Tibet. It is estimated that the number of Khacharas in 1956 was more than two thousand.²³

The Khacharas benefited from favorable trade terms that were established by the Thapathali Treaty signed in 1856. Facing increasing rebellion and war in the first half of the 19th century, the Qing Dynasty had begun to experience setbacks. Nepali Prime Minister Jung Bahadur Rana saw it as a perfect opportunity to press for Nepal's losses in Tibet during the Sino-Nepal war of 1792. Nepal then declared war in March 1855.²⁴ Subsequently, the Thapathali Treaty was signed between Tibet and Nepal in 1856 that continued the right of Nepali traders to enjoy extra-territorial privileges. Another provision of the treaty forced the Tibetan government to pay an annual tribute of NPR 10,000 to Kathmandu in perpetuity to pay for the war expenses.²⁵

Several academics have worked on the issue of Khacharas such as Sara Schneiderman, who in her paper, *Himalayan Border Citizens*, writes that beginning from the mid-1800s onwards (until 1950s), Nepal-Tibet trade, particularly in

22 Mishra, Tirtha P. "Nepalese in Tibet: a case study of Nepalese half-breeds (1856-1956)." *Contributions to Nepalese Studies*, 30.1, 2003.

23 Mishra, Tirtha P. "Nepalese in Tibet: A Case Study of Nepalese Half-Breeds (1856-1956)." *Contribution to Nepalese Studies*, 2003, himalaya.socanth.cam.ac.uk/collections/journals/contributions/pdf/CNAS_30_01_01.pdf. Accessed 14 Sept. 2023.

24 Rana, Samar SJB. "Considering the Nepal-China Border - the Record." *Record Nepal*, 3 Nov. 2020, www.recordnepal.com/considering-the-nepal-china-border. Accessed 15 Sept. 2023.

25 Bell, Sir Charles Alferd. "The People of Tibet." *Clarendon Press*, 1928.

Nyalam, a small town in Lhasa, was dominated by Tibeto-Newar Khacharas.²⁶ These communities maintained both Nepali and Tibetan citizenship and property documents, and paid taxes to both the governments.²⁷ Although the Khachara community dominated the trade at the border, Nepali traders from other communities such as Sherpas, Tamangs, Thangmis, and Thakalis brought up rice, flour, and ghee (clarified butter) to trade for wool and salt along several parts of the Nepal Tibet border.

Trade in Tibet was also seen as an opportunity to escape the caste-based hierarchies and exploitative land tenure arrangements inside Nepal.²⁸ The main categories of identification in the border zone were Khacharas (mixed Nepali-Tibetan), Balpo (Newar), Gorkha (Nepali hill-dweller), and Rongba (plains-dweller). “People from these categories were recognized as fellow border citizens, indicating that this was a multi-ethnic category where membership was defined by territorial belonging to the border zone, rather than by specific ethnic identification.”²⁹

For the most part, Nepalese traders did not bring their families, especially wives, to Tibet with them. It is noteworthy that none of the Nepali merchants, envoys, or officials were accompanied by their wives. In addition, they could marry a Tibetan woman, and such a union could be beneficial to their trade. It must be noted that polygamy was accepted in both Nepal and Tibet at the time.³⁰

A.3 Women in the Borderlands

In the northern part of Nepal, especially among the Tibetan communities of Mustang, Humla and Dolpa, both polyandry and polygyny forms of marriages

26 Shneiderman, Sara B. “Himalayan Border Citizens: Sovereignty and Mobility in the Nepal–Tibetan Autonomous Region (TAR) of China Border Zone.” *Political Geography*, vol. 35, July 2013, pp. 25–36, <https://doi.org/10.1016/j.polgeo.2013.04.001>. Accessed 15 Sept. 2023.

27 Adhikari, Pushpa. “Ties That Bind: An Account of Nepal-China Relations.” *Sangam Institute*, 2010.

28 Shneiderman, Sara B. “Himalayan Border Citizens: Sovereignty and Mobility in the Nepal–Tibetan Autonomous Region (TAR) of China Border Zone.” *Political Geography*, vol. 35, July 2013, pp. 25–36, <https://doi.org/10.1016/j.polgeo.2013.04.001>. Accessed 15 Sept. 2023.

29 Ibid

30 Mishra, Tirtha P. “Nepalese in Tibet: a case study of Nepalese half-breeds (1856-1956).” *Contributions to Nepalese Studies*, vol. 30.1, 2003.

have been practiced.³¹ Ethnographic studies indicate preferences to these forms of marriages include a combination of geographical, economical, historical and environmental factors.³² The northern part of Nepal lacks adequate and suitable land for agricultural cultivation, and in order to reduce the fragmentation and division of inheritance such as cultivable lands and livestock, polygamy forms of marriage are said to have been preferred.³³

Polyandry is where a woman marries more than one husband. Polyandry is of two types, fraternal and non-fraternal polyandry.^{34,35} In the northern parts of Nepal, fraternal polyandry was practiced.³⁶ Fraternal polyandry refers to a form of marriage where one woman marries several brothers from a family. Likewise, polygyny, also known as *Makpa*, has also been noted in the northern regions of Nepal.³⁷ In this practice, a man marries sisters of a family and settles with them in their parental home.

Both polyandry and polygyny have been guided by traditional practices along with economic motivations in the Himalayan region. However, these practices have been on the decline, especially as younger generations are not in favor. Modern education, various socio-economic opportunities, tourism and developmental factors and rising community awareness have played a role in the decline of the practice.³⁸

31 Gurung, Juddha Bahadur. "Rapid Cultural Change: A Case Study of Polyandry Marriage System among the Gurung Community from Upper Mustang, Nepal." *Dhaulagiri Journal of Sociology and Anthropology*, vol. 6, Aug. 2013, pp. 75–106, <https://doi.org/10.3126/dsaj.v6i0.8480>. Accessed 15 Sept. 2023.

32 Gurung, Ganesh Man. "Polyandry, adaptability and environment: A case study of Tangin, a Himalayan village in Nepal." *Contributions to Nepalese Studies*, 1993. Accessed 15 Sept. 2023.

33 Gurung, Juddha Bahadur. "Rapid Cultural Change: A Case Study of Polyandry Marriage System among the Gurung Community from Upper Mustang, Nepal." *Dhaulagiri Journal of Sociology and Anthropology*, vol. 6, Aug. 2013, pp. 75–106, <https://doi.org/10.3126/dsaj.v6i0.8480>. Accessed 15 Sept. 2023.

34 Ferguson, Amanda. "What Is Polygamy?" *Study.com*, 2022, [study.com/learn/lesson/polygamy-polygyny-polyandry-group-marriage.html#:~:text=Polyandry%20is%20the%20marriage%20of](https://www.study.com/learn/lesson/polygamy-polygyny-polyandry-group-marriage.html#:~:text=Polyandry%20is%20the%20marriage%20of). Accessed 15 Sept. 2023.

35 In fraternal polyandry, women marry men of the same family, while in non-fraternal polyandry, women marry like-minded men who are not siblings.

36 Gurung, Ganesh Man. "Polyandry, adaptability and environment: A case study of Tangin, a Himalayan village in Nepal." *Contributions to Nepalese Studies*, 1993. Accessed 15 Sept. 2023.

37 Ibid.

38 The Himalayan Times. (2008). Sankhushava practicing polyandry system

In the northern regions of Nepal, male and female members of a family were traditionally assigned particular roles in a family. A male member had to stay home and take care of the women and children.³⁹ The middle son had to be a monk and join a monastery.⁴⁰ Other male members were responsible for trading, agricultural production, and livestock grazing.⁴¹ Similarly, the middle daughter had to be a nun, this practice was known as *Jhuma*, but the practice is now declining. The second daughter is 'offered' to the monastery, and by that, she will have to spend her whole life cleaning and taking care of the monastery.⁴² She is also not allowed to get married.

Other women, who did/could marry then, would be engaged in homecraft production such as wooden bowls and carpets.⁴³ With limited agricultural production, these work divisions created indigenous sustainability practices for the people of the northern region.

A.4 Nepal and Tibet in the 20th Century

Historically, Tibet has been under direct or indirect influence of the China,⁴⁴ and China was often sought out for help in times of need, as it did in the Sino-Nepal War of 1792 that led to the signing of the Betrawati Treaty. After the fall of the Qing Dynasty in 1912, China was engrossed in its own internal politics and was unable to pursue an assertive policy towards Tibet. China's relationship with Nepal was also largely passive during this time.

39 Gurung, Juddha Bahadur. "Rapid Cultural Change: A Case Study of Polyandry Marriage System among the Gurung Community from Upper Mustang, Nepal." *Dhaulagiri Journal of Sociology and Anthropology*, vol. 6, Aug. 2013, pp. 75–106, <https://doi.org/10.3126/dsaj.v6i0.8480>. Accessed 15 Sept. 2023.

40 Ibid.

41 Gurung, Juddha Bahadur. "Rapid Cultural Change: A Case Study of Polyandry Marriage System among the Gurung Community from Upper Mustang, Nepal." *Dhaulagiri Journal of Sociology and Anthropology*, vol. 6, Aug. 2013, pp. 75–106, <https://doi.org/10.3126/dsaj.v6i0.8480>. Accessed 15 Sept. 2023.

42 Rai, Jyoti. "GENDER EQUALITY in POLITICS in NEPAL: The Role of Demo Finland to Promote Gender Equality in Nepalese Politics." *THESEUS*, 2015, www.theseus.fi/handle/10024/87064. Accessed 15 Sept. 2023.

43 Gurung, Ganesh Man. "Polyandry, adaptability and environment: A case study of Tangin, a Himalayan village in Nepal." *Contributions to Nepalese Studies*, 1993. Accessed 15 Sept. 2023.

44 Manandhar, Tri Ratna and Mishra, Tirtha P. "Nepal's Quinquennial Missions to China." *Mandala Book Point Nepal*, 2020.

From the beginning of the 20th century, Nepal's relations with Tibet underwent gradual change as a result of two major developments – first, the active interest of British in Tibet and second, the decline of Qing Dynasty and subsequent establishment of Republican China. Diplomatic ties between Tibet and Nepal now took a backseat. Tibetan authorities violated established norms by demanding taxes from Khacharas in Tibet in order to control their “unruly and aggressive behavior.”⁴⁵ This marked the start of a deterioration in Nepal-Tibet relations. Subsequently, Chinese authorities in Tibet began interfering in internal litigation among Khacharas and arbitrating judicial cases between Khacharas⁴⁶ and Tibetan locals without notifying Nepali authorities. Chinese authorities in Tibet have been known to harass Khacharas for minor infractions and force them to perform unpaid labor on multiple occasions.

The shifting dimension of Nepal-Tibet relations by the middle of the 20th century was influenced by three political developments: the withdrawal of the British from India in 1947, the end of the Rana Autocracy in Nepal in 1951, and the establishment of a communist republic in China in 1949. Nepal and China established formal diplomatic relations in 1956 based on Panchasheel or the Five Principles of Peaceful Coexistence.

A.5 Annexation of Tibet and Nepal-China Relations

Chinese Communist Leader Mao Zedong announced the formation of the People's Republic of China (PRC) on 1st October, 1949.⁴⁷ This announcement marked the defeat of the Nationalist Party led by Chiang Kai Shek in the civil war between the Chinese Communist Party (CCP) and the Nationalists since World War II.⁴⁸ After the formation of PRC, one of CCP's primary objectives was to establish control over Tibet.⁴⁹ The CCP at first focused on peaceful negotiations with Tibet.⁵⁰ However, Tibet didn't want to be a part of China. Tibet followed strict Buddhist values and ideologies whereas the CCP had already

45 Uprety, Prem Raman. “Nepal-Tibet Relations, 1850-1930: Years of Hopes, Challenges, and Frustrations.” *Ci.nii.ac.jp, Puga Nara*, 1980.

46 Ibid

47 Office of the Historian. “Milestones: 1945–1952.” *Office of the Historian, Department of States*, history.state.gov/milestones/1945-1952/chinese-rev#:~:text=In%20October%20of%201949%2C%20after. Accessed 15 Sept. 2023.

48 Office of the Historian. “Milestones: 1945–1952.” *Office of the Historian, Department of States*, history.state.gov/milestones/1945-1952/chinese-rev#:~:text=In%20October%20of%201949%2C%20after. Accessed 15 Sept. 2023.

49 Han, Enze. “Contestation and Adaptation: The Politics of National Identity in China.” *Oxford University Press*, 2013.

50 Ibid.

started sinicizing Tibet, that is, aligning Tibetan values with CCP ideology.⁵¹ Hence, when the PLA attacked Xikang in 1950, the Tibetan government in Lhasa asked the governments of India, the UK and the USA to protect Tibet from being taken over by China.⁵² However, when international support was not forthcoming, the Tibetan government signed the 17 point agreement for the Peaceful Liberation of Tibet on 23rd May, 1951 in Beijing.⁵³

The 17 point agreement was the first agreement in Tibetan history that explicitly stated Chinese sovereignty over Tibet.⁵⁴ Even though this agreement included the preservation of Tibetan Buddhism and status of the Dalai Lama, other clauses explicitly abrogated Tibet's declared sovereignty and made it a part of China.⁵⁵ The agreement was intended to apply to areas controlled by the Tibetan government before 1950s, which meant other regions with Tibetan populations not under the Kashag or Tibetan government's control did not fall under the agreement.⁵⁶ This impacted the ethnic-Tibetan areas of Kham and Amdo as they had already been designated as Qinghai and Xikang Provinces by the PRC.⁵⁷ Thereafter, Kham province saw the beginnings of a rebellion against the PRC from the mid-1950s onwards, resulting in PRC's military action in the region and a large scale movement of refugees towards Lhasa.⁵⁸

Deteriorating relations between the Tibetan government and the PRC eventually resulted in the escape of the Dalai Lama to India in March 1959. Border disputes between India and the PRC had erupted as well over claims to the Aksai Chin region and North-East Frontier Agency tracts. China had refused to accept the border demarcation as suggested under the 1913 Shimla

51 Goldstein, Melvyn C. "A History of Modern Tibet. Volume 2, the Calm before the Storm, 1951-1955." *University Of California Press*, 2007.

52 Han, Enze. "Contestation and Adaptation: The Politics of National Identity in China." *Oxford University Press*, 2013.

53 Shakya, Tsering. "The Dragon in the Land of Snows: A History of Modern Tibet since 1947." *Pimlico*, 1999.

54 Han, Enze. "Contestation and Adaptation: The Politics of National Identity in China." *Oxford University Press*, 2013.

55 Shakya, Tsering. "The Dragon in the Land of Snows: A History of Modern Tibet since 1947." *Pimlico*, 1999.

56 Han, Enze. "Contestation and Adaptation: The Politics of National Identity in China." *Oxford University Press*, 2013.

57 Ibid.

58 Mcgranahan, Carole. "Arrested Histories Tibet, the CIA, and Memories of a Forgotten War." *Duke University Press*, 2010.

Conference between British India, Tibet and China, and the PRC continued to reject the Shimla Conference's border demarcation as well. On the other hand, Indian PM Jawaharlal Nehru believed the border demarcation between the two countries was final, and the crisis eventually resulted in the 1962 war between India and China.

A.5.1 Nepal and the PRC: The Beginnings

Like most developing countries, Nepal has been dependent on foreign aid for its development. Nepal signed its first aid agreement with China on 7th October, 1956.⁵⁹ The agreement consisted of USD 12.7 million aid to be disbursed within a period of over three years.⁶⁰ Even though the purpose of this aid was stated to be for budget stabilization, it also intended to normalise diplomatic relations between China and Nepal.⁶¹ The two countries eventually signed a Treaty of Peace and Friendship on April 28, 1960. The text consisted of five articles in the spirit of maintaining friendly ties between the two countries, as well as strengthening economic and cultural cooperation.

Following the formal establishment of diplomatic ties, a 115-km long Kathmandu-Lhasa Road (popularly known as the Araniko Highway) was built under Chinese grant assistance after King Mahendra's seventeen-day state visit to China in 1961⁶². The Highway was completed between July 1, 1962, and June 30, 1966⁶³. The road began operation in May 1967. The Kathmandu-Lhasa Road was perceived to be the entrance to communism in Nepal, with the arrival of Chinese contractors and laborers.⁶⁴

The Peace and Friendship Treaty focused on strengthening the relationship between the two nations through peaceful and friendly means. Article II of the treaty emphasizes the use of peaceful negotiation to settle any disputes

59 Ministry of Foreign Affairs. "Nepal- China Relations." Ministry of Foreign Affairs. <https://mofa.gov.np/nepal-china-relations/>. Accessed 15 Sept. 2023.

60 Namboodiri, P. K. S. "CHINA'S AID TO NEPAL IN PERSPECTIVE." *India Quarterly*, vol. 35, no. 2, 1979, pp. 223–32. JSTOR, <http://www.jstor.org/stable/45070926>. Accessed 15 Sept. 2023.

61 Ibid.

62 Mulmi, Amish Raj. "All Roads Lead North: Nepal Turn's to China". *Oxford University Press*, 2022.

63 Jha, Hari Bansh. "Nepal's Border Relations with India and China." *Eurasia Border Review*, 2013, src-h.slav.hokudai.ac.jp/publicctn/eurasia_border_review/Vol41/V4N104J.pdf. Accessed 15 Sept. 2023.

64 Mulmi, Amish Raj. "All Roads Lead North: Nepal Turn's to China". *Oxford University Press*, 2022.

that may arise, while Article IV specifies that any disagreements related to the treaty should be resolved through normal diplomatic channels. This treaty is a significant milestone in the history of Nepal-China relations. On March 21, 1960, Sino-Nepal Boundary Agreement was signed, which marked the first official document to delineate the boundary line between Nepal and the People's Republic of China.

A.5.2 Boundary Treaty of 1961 and Subsequent Protocols

Nepal and China signed the first boundary treaty on October 5, 1961, marking the conclusion of a joint border survey. The treaty relied on natural landmarks such as mountains, passes, and pasturelands to delineate the border, utilizing the watershed principle of the Himalayas.⁶⁵ The use of principles of peaceful coexistence enabled locals to choose which side of the border they preferred to be on, resulting in a land swap between the two nations. On the basis of this concept, Nepal ceded roughly 1,836 square kilometers of land to China, whereas China ceded 2,139 square kilometers.⁶⁶ Although the boundary line was jointly demarcated, conflicts and counterclaims arose in 32 areas.⁶⁷ A joint boundary commission subsequently delimited and formally demarcated the boundary. There are 79 main pillars and 20 sub-pillars⁶⁸ that demarcate the Nepal-China border.⁶⁹

A.5.2.1 The First Boundary Protocol, 1963

As per the boundary treaty of 1961, a Joint Boundary Committee demarcated the boundary line between Nepal and China. Chinese Vice Premier and Foreign

65 Department of States. "International Boundary Study China -Nepal Boundary." *Office of the Geographer Bureau of Intelligence and Research*, 1965, library.law.fsu.edu/Digital-Collections/LimitsinSeas/pdf/ibs050.pdf. Accessed 15 Sept. 2023.

66 Bansh, Hari. "Nepal's Border Relations with India and China." *Eurasia Border Review*, 2013, src-h.slav.hokudai.ac.jp/publicn/eurasia_border_review/Vol41/V4N104J.pdf. Accessed 15 Sept. 2023.

67 Chakraborty, Ratnadeep. "Border Disputes between China and Nepal." *ORF*, 26 Nov. 2020, www.orfonline.org/expert-speak/border-disputes-between-china-and-nepal/. Accessed 15 Sept. 2023.

68 Giri, Anil. "Study Panel Says 'There Are Issues' along Nepal-China Border in Humla." *The Kathmandu Post*, 23 Oct. 2021, kathmandupost.com/national/2021/10/23/study-panel-says-there-are-issues-along-nepal-china-border-in-humla. Accessed 15 Sept. 2023.

69 Pollock, John. "Is China Undermining Nepal's Border along Its Himalayan Frontier?" *South Asian Voices*, 14 Jan. 2022, southasianvoices.org/is-china-undermining-nepals-border-along-its-himalayan-frontier/#:~:text=79%20stone%20pillars%20and%20. Accessed 15 Sept. 2023.

Minister Cen Yi and Dr. Tulsi Giri, Vice Chairman of Nepalese Council of Ministers and Foreign Minister, signed the protocol. It laid out basic rules for an inspection of the whole demarcated border by both countries every five years. The protocol consists of five sections, elaborating on general provisions, demarcation and positioning of pillars, and other descriptions. The length of the boundary between the two countries was determined as 1,111.47 kilometers with 79 serial boundary markers and 20 sub-pillars.⁷⁰ Nepal and China signed the first boundary protocol in January 20, 1963.

A.5.2.2 The Second Boundary Protocol, 1979

The Nepal-China First Joint Inspection Committee was formed in May 1977 to renew the Boundary Protocol. The committee inspected the condition of the boundary pillars and repaired or reconstructed damaged ones as needed. The inspection was completed in October 1979, and the second boundary protocol was signed on November 20, 1979 by the foreign ministers of both countries. However, markers 57 and 62 were not found during the first joint inspection.⁷¹

A.5.2.3 The Third Boundary Protocol, 1988

A second border inspection took place almost after 10 years. The second border inspection committee was formed in January, 1988. Of the 79 main pillars, the joint team repaired 13 border pillars and reconstructed 7 pillars. Two pillars, number 57 and 62, which were not found during the 1979 inspection, were also discovered but not formally recognized. After the inspection and reconstruction, Nepal-China Third Boundary Protocol was signed between the Foreign Minister of Nepal Shailendra Kumar Upadhyaya, and the Foreign Minister of China Qian Qichen on December 6, 1988.

A.5.2.4 Setback in the Fourth Boundary Protocol

The third joint inspection and border survey work started on April 18, 2006. The joint teams have inspected, repaired and maintained a total number of 99 pillars and markers. During the third inspection, all the pillars and markers were measured, and each one's location accurately confirmed with the help of

70 Giri, Anil. "Study Panel Says 'There Are Issues' along Nepal-China Border in Humla." *The Kathmandu Post*, 23 Oct. 2021, kathmandupost.com/national/2021/10/23/study-panel-says-there-are-issues-along-nepal-china-border-in-humla. Accessed 15 Sept. 2023.

71 Shrestha, Buddhi Naryan. *International Boundaries of Nepal*. LAP Lambert Academic Publishing, 2019.

advanced Global Positioning System (GPS) satellite technique. Exact coordinates to the nearest centimeter of all border markers have been established.⁷²

However, the fourth boundary protocol has not been signed. Few reasons identified for this is the contention regarding border marker 57 - located 29 kilometers north of Lama Bagar in the Dolakha District in Nepal, was found to be slightly inside Nepal, instead of what was previously presumed.⁷³ As of 2023, Nepal and China agreed to activate the existing boundary mechanisms through mutual consultation. With the Nepal's Prime Minister's visit to China in September 2023, both Nepal and China agreed to carry out joint inspection of the border and sign agreement on the Boundary Management System as soon as possible.⁷⁴

A.5.2.5 Border Citizen Cards

As of 2002, the bilateral agreement between China and Nepal established a border zone that includes portions of both countries' territory. The zone extends between 20 miles and 30 kilometers on either side of the border, depending on the version of the treaty.⁷⁵ People living in this zone, who are referred to as "border inhabitants" in the treaties, are granted special rights. These "border inhabitants" living within 30 kilometers of the border on both sides have been issued identity documents known as "border citizen cards," which allow them to cross the border without a passport or visa and travel up to 30-kilometers on the other side.

A.6 Tibetan Guerrilla Movement and the Karmapa's Escape

The southern region of eastern Tibet is called Kham (Khams) and its people are called the Khampa (*Khams Pa*).⁷⁶ The Chushi Gangdruk (Four Rivers, Six Ranges) resistance group was born in this region in 1956 with an explicit goal

72 Shrestha, Buddhi Naryan. *International Boundaries of Nepal*. LAP Lambert Academic Publishing, 2019

73 Ibid.

74 People's Republic of China and Nepal. "Joint Statement between the People's Republic of China and Nepal." *Ministry of Foreign Affairs, Government of Nepal*, 26 Sept. 2023, mofa.gov.np/joint-statement-between-the-peoples-republic-of-china-and-nepal/. Accessed 26 Sept. 2023.

75 Shneiderman, Sara B. "Himalayan Border Citizens: Sovereignty and Mobility in the Nepal-Tibetan Autonomous Region (TAR) of China Border Zone." *Political Geography*, vol. 35, July 2013, pp. 25-36, <https://doi.org/10.1016/j.polgeo.2013.04.001>. Accessed 19 Sept. 2023.

76 Virginia University: Mandala. "An Overview of Kham (Eastern Tibet) Historical Polities." *Mandala Library: Virginia University*, texts.mandala.library.virginia.edu/text/overview-kham-eastern-tibet-historical-polities. Accessed 15 Sept. 2023.

to resist and overthrow Chinese rule, which eventually spread to other parts of Tibet after the Dalai Lama's escape and rising tensions between Tibetan authorities and China. Subsequent to the Dalai Lama's escape and rising military presence in Tibet, the Chushi Gangdruk shifted their operations to Mustang in Nepal with the support of the CIA.⁷⁷

Thousands of soldiers were dispatched to Mustang and settled in makeshift camps. Necessary arms and ammunitions were supplied by the CIA. Reportedly CIA had earlier set up a secret basecamp in Colorado to train the guerrillas and dispatch them to Tibet via airdrops and later Mustang.⁷⁸ Over 4,000 Khampas were settled in Mustang.⁷⁹

As a part of an agreement between India and Nepal, Indian military check-posts were also deployed on the northern frontier of the Nepal-China border from June 9, 1952 to April 20, 1969 providing military intelligence and other assistance.⁸⁰ Khampas also were deployed in parts of India. Tensions in India-US relations during the time, led to Russia's KGB replacing American trainers and equipment.⁸¹ In fact, the Tibetan paramilitary force in India were also used in India's war with Pakistan in 1971.⁸²

American support to the Khampas halted once the US under President Richard Nixon began to reach out to Mao's China from the late 1960s onwards. Subsequently, Nepal stopped 'turning a blind eye' towards the Khampas. In

77 Cowan, Sam. "A Secret Nepal File and the Battle for Information - the Record." *Record Nepal*, 11 Sept. 2017, www.recordnepal.com/secret-nepal-file-foreign-commonwealth-office-nepal-information-khampa. Accessed 15 Sept. 2023.

78 Basnyat, Laxmi. "Nepal-China Ties: Irritants of the 60s and 70s." *Nepal Live Today*, 12 Nov. 2022, www.nepallivetoday.com/2022/11/12/nepal-china-ties-irritants-of-the-60s-and-70s/. Accessed 15 Sept. 2023.

79 Cowan, Sam. "A Secret Nepal File and the Battle for Information - the Record." *Record Nepal*, 11 Sept. 2017, www.recordnepal.com/secret-nepal-file-foreign-commonwealth-office-nepal-information-khampa. Accessed 20 Nov. 2022.

80 Cowan, Sam. "The Indian Checkposts, Lipu Lekh, and Kalapani - the Record." *Record Nepal*, 14 Dec. 2015, www.recordnepal.com/indian-checkposts-lipu-lekh-and-kalapani. Accessed 15 Sept. 2023.

81 McGranahan, Carole. "The CIA and the Chushi Gangdrug Resistance, 1956–1974." *Project MUSE*, www.colorado.edu/anthropology/sites/default/files/attached-files/mcgranahantibetscold-war.pdf. Accessed 15 Sept. 2023.

82 Ibid.

1974, after a military mission to force the Khampas to surrender, the Khampas surrendered after the Dalai Lama urged them to do so via a voice message in a tape recorder.⁸³ Thereafter, Nepal began to exert more administrative control over its northern regions, and turned them into restricted areas where foreign nationals were restricted to visit. This policy was reversed in the 1990s due to the potential of the tourism industry, but foreign nationals now had to pay extra fees to visit such restricted areas, a policy still in place.

Another turning point in Nepal-China border relations was the dramatic escape of the 17th Karmapa via Mustang to India. Karmapa Ogyen Trinley Dorje was recognized by both Dalai Lama and the Chinese government in 1992.⁸⁴ Karmapa is the head of the Kagyu school of Tibetan Buddhism, and the most senior lama in Tibetan Buddhism after the Dalai Lama and the Panchen Lama. He left Tibet on the night of December 28, 1999 and reached Dharamsala eight days later.⁸⁵ Karmapa admitted his escape was motivated by the Chinese government's plans to separate him from the Tibetan people and the Dalai Lama.^{86,87} The fleeing of Karmapa led to a tighter control of the border from the Chinese side. As locals of Mustang were alleged to be involved in helping him flee, China began to demonstrate signs of distrust towards Nepal. As a result, cross-border ties in Mustang began to decline, and a fence was erected by China on the border in Mustang.

A.7 Maoist Insurgency

The Maoist insurgency in Nepal, albeit an important historical event, did not impact Nepal-China relations to a great extent. The insurgency started in 1996 amidst rising poverty, inequality, and under-representation of various minority groups in Nepal. More than 17,000 people lost their lives in the armed

83 Ibid.

84 Harding, Luke. "Daring Escape of the Karmapa." *The Guardian*, 28 Apr. 2001, www.theguardian.com/world/2001/apr/28/lukeharding. Accessed 15 Sept. 2023

85 Dorje, Yeshi. "Karmapa Said He Left a Message When He Escaped Tibet in 1999." *VOA*, 5 June 2017, www.voanews.com/a/karmapa-left-message-about-returning-when-he-escaped-tibet/3888138.html#:~:text=Karmapa%20secretly%20left%20his%20monastery. Accessed 15 Sept. 2023.

86 Rengel, David. "Mustang: The Last Lost Kingdom." *The Diplomat*, 6 Nov. 2014, thediplomat.com/2014/11/mustang-the-last-lost-kingdom/. Accessed 15 Sept. 2023.

87 Crossette, Barbara. "Buddhist's Escape from Tibet, by Car, Horse and Plane." *The New York Times*, 31 Jan. 2000, www.nytimes.com/2000/01/31/world/buddhist-s-escape-from-tibet-by-car-horse-and-plane.html?utm_source=pocket_saves. Accessed 15 Sept. 2023.

conflict, in addition to many additional costs of civil displacement and gross violations of human rights during the conflict.⁸⁸ Different actors were directly and indirectly involved in the conflict. China had assisted Nepal in curbing the Maoist insurgency, with military assistance worth USD 989,000 in 2005 for the same.⁸⁹ The insurgency ended with the fall of the Monarchy in 2006.

In 2008, republican Nepal saw its first Prime Minister Pushpa Kamal Dahal (Prachanda). PM Dahal defied the generic convention by visiting China in place of India as his first official visit. The pretext was to visit the 2008 Olympic Games in Beijing.

A.8 The 2008 pro-Tibet Protests

Nepal is the home to around 20 thousand Tibetan refugees, making it the second biggest home for Tibetan exiles after India. Nepal has endorsed One-China Policy, but protests in Kathmandu supporting the free-Tibet movement were once common, particularly in 2008.⁹⁰ In the wake of the 2008 Tibetan uprising, the Chinese government significantly tightened its control in Tibetan populated areas, which impacted the bordering region with Nepal, as well as Kathmandu, where most of the demonstrations took place. China had allegedly pressured the Nepal government to restrict the pro-Tibetan movement in Nepal.⁹¹

The 2008 pro-Tibet protests in Kathmandu marked a pivotal point. Starting from March 2008, Tibetans began to protest against the Beijing Olympics almost daily.⁹² Around 8,350 Tibetans were arrested in Nepal during the protest for the same by the Nepali police.⁹³ For several months during and after the 2008 protests in Tibet, Kathmandu became a focal point of pro-Tibetan political

88 Lawoti, Mahendra, and Anup Kumar Pahari, editors. *The Maoist Insurgency in Nepal: Revolution in the Twenty-First Century*. Routledge, 2010.

89 Jaiswal, Pramod. "Caught in the India-China Rivalry: Policy Options for Nepal | IPCS." *Institute of Peace and Conflict Studies*, 1 Mar. 2014, www.ipcs.org/issue_select.php?recNo=556. Accessed 15 Sept. 2023.

90 The New York Times. "Police Detain More than 1,100 in Nepal over China Protests." *The New York Times*, 8 Aug. 2008, www.nytimes.com/2008/08/08/world/asia/08iht-tibet.1.15109773.html. Accessed 15 Sept. 2023.

91 Human Rights Watch. "Under China's Shadow | Mistreatment of Tibetans in Nepal." *Human Rights Watch*, Apr. 2014, www.hrw.org/report/2014/04/01/under-chinas-shadow/mistreatment-tibetans-nepal. Accessed 15 Sept. 2023.

92 Cooksey, Katie. "Tibetans March to Mark End of Games." *The Guardian*, 24 Aug. 2008, www.theguardian.com/sport/2008/aug/24/olympics2008.nepal. Accessed 19 Sept. 2023.

93 The New York Times. "Police Detain More than 1,100 in Nepal over China Protests." *The New York Times*, 8 Aug. 2008, www.nytimes.com/2008/08/08/world/asia/08iht-tibet.1.15109773.html. Accessed 15 Sept. 2023.

activity, with almost daily street demonstrations, gatherings, and political events. Under intense diplomatic pressure from China—some of it overt and public—the Nepali government curtailed Tibetan demonstrations, with the police often clashing with demonstrators or rounding up Tibetans they suspected of planning public action.⁹⁴ A month before the Chinese premier Wen Jiabao visited Nepal in 2011, a man named Bhutuk attempted to set himself on fire in front of the Baudhanath Stupa in Kathmandu.⁹⁵ This act echoed the dozens of self-immolations that had taken place in Tibet in protest of Chinese policies.

Between 1959 to 1989, Nepal government officially recognized and registered Tibetans crossing the border. From 1989 onwards, owing to improved diplomatic ties with China, the King halted the settlement of Tibetan refugees within Nepal's borders. From the mid-1990s onwards, Nepal also stopped distributing Refugee Certificates [RCs] to Tibetan refugees. Despite these steps, Nepal maintained an informal and unwritten 'Gentlemen's Agreement' with the United Nations High Commissioner for Refugees (UNHCR), according to which, Nepal would continue to allow 'safe passage' for refugees from Tibet to India.⁹⁶ The most significant wave of naturalization occurred in the 1970s, when King Birendra granted naturalised citizenship to approximately 1,500 former US-backed Tibetan guerrillas who had settled in Nepal.^{97,98}

Nepal's handling of the China-Tibet dispute can be characterized by ambiguity. On one hand, Nepal has sought to maintain good relations with China. On the other hand, Nepal has also been sympathetic to the Tibetan refugees, a large number of whom reside in Nepal. This has led Nepal to take a number of contradictory actions that have angered both China and Tibetan community in exile.

94 Human Rights Watch. "Under China's Shadow | Mistreatment of Tibetans in Nepal." *Human Rights Watch*, Apr. 2014, www.hrw.org/report/2014/04/01/under-chinas-shadow/mistreatment-tibetans-nepal. Accessed 15 Sept. 2023.

95 International Campaign for Tibet. "Tibetan Monk Dies after Self-Immolation in Kathmandu, Nepal." *International Campaign for Tibet*, 13 Aug. 2013, savetibet.org/tibetan-monk-dies-after-self-immolation-in-kathmandu-nepal/. Accessed 15 Sept. 2023.

96 Human Rights Watch. "Under China's Shadow | Mistreatment of Tibetans in Nepal." *Human Rights Watch*, Apr. 2014, www.hrw.org/report/2014/04/01/under-chinas-shadow/mistreatment-tibetans-nepal. Accessed 15 Sept. 2023.

97 Salopek, Paul, and Tribune Staff Writer. "THE CIA'S SECRET WAR IN TIBET." *Chicago Tribune*, 26 Jan. 1997, www.chicagotribune.com/news/ct-xpm-1997-01-26-9701270002-story.html. Accessed 15 Sept. 2023.

98 Human Rights Watch. "Under China's Shadow | Mistreatment of Tibetans in Nepal." *Human Rights Watch*, Apr. 2014, www.hrw.org/report/2014/04/01/under-chinas-shadow/mistreatment-tibetans-nepal. Accessed 15 Sept. 2023.

A.9 Nepal-China Relation since 2015

With the promulgation of the Constitution of Nepal 2015, dissatisfaction soared in the southern plains of Nepal resulting in the third Madhes Uprising – and subsequently the imposition of an unofficial Indian blockade on the southern border of Nepal. Trade with India was disrupted causing a shortage of petroleum and other essential products. The 2015 blockade reflected Nepal’s vulnerabilities due to its sole reliance on India for trade. Nepal had faced the first Indian blockade in 1970, and then again in 1989.⁹⁹ In 1989, India had imposed a fifteen-month-long unofficial economic embargo on Nepal which denied Nepal access to Kolkata port facilities alongside closing nineteen out of the twenty-one border transit points.¹⁰⁰ Twenty-six years later, in 2015, the unofficial trade embargo heavily affected different sectors of Nepal’s economy. It resulted in exports plunging by 25.4 percent (NPR 16.81 billion), alongside imports plummeting by 31.9 percent (NPR 130.94 billion).¹⁰¹ More than 400 Indian-origin trucks and consignments, on a daily basis, were left stranded at the border, impacting the entry of perishable goods, petroleum, medicines, gas cylinders, and earthquake relief materials among others.¹⁰²

This led to a watershed moment in Nepal’s international trade, with Nepal signing a petroleum supplies agreement with China on October 28 2015, which was expected to end the decades-long monopoly of supply by the Indian Oil Corporation in the Nepali market.¹⁰³ The need for trade diversification pushed Nepal to further open up trade and connectivity links through the northern

99 The Kathmandu Post. “Over-Reliance on India Has Hit Economy Hard.” *The Kathmandu Post*, 22 Nov. 2015, kathmandupost.com/money/2015/11/22/over-reliance-on-india-has-hit-economy-hard. Accessed 15 Sept. 2023.

100 Crossette, Barbara, and Special To the New York Times. “Nepal’s Economy Is Gasping as India, a Huge Neighbor, Squeezes It Hard.” *The New York Times*, 11 Apr. 1989, www.nytimes.com/1989/04/11/world/nepal-s-economy-is-gasping-as-india-a-huge-neighbor-squeezes-it-hard.html. Accessed 30 Apr. 2023.

101 The Kathmandu Post. “Exports, Imports Dive due to Unofficial Trade Embargo.” *The Kathmandu Post*, 24 Nov. 2015, kathmandupost.com/money/2015/11/24/exports-imports-dive-due-to-unofficial-trade-embargo. Accessed 15 Sept. 2023.

102 The Kathmandu Post. “Over-Reliance on India Has Hit Economy Hard.” *The Kathmandu Post*, 22 Nov. 2015, kathmandupost.com/money/2015/11/22/over-reliance-on-india-has-hit-economy-hard. Accessed 15 Sept. 2023.

103 The Kathmandu Post. “Nepal Inks Historic Oil Agreement with China.” *The Kathmandu Post*, 29 Oct. 2015, kathmandupost.com/miscellaneous/2015/10/29/nepal-inks-historic-oil-agreement-with-china. Accessed 5 May 2023.

frontier with the Transit and Transport Agreement (TTA) with China in 2016.¹⁰⁴ Nepal also signed up for the BRI in 2017.

Earlier to this, in 2013, six border points were officially opened for Nepal-China trade¹⁰⁵ - two of which namely Kodari-Zhangmu and Rasuwa-Keyrung are functional while Yari-Purang is used for people-to-people movement. Those six border points are:

- i) Kodari-Zhangmu
- ii) Rasuwa-Keyrung
- iii) Yari-Purang
- iv) Olangchung Gola-Riwu
- v) Kimathanka Chentang
- vi) Nechung-Lizi.¹⁰⁶

In March 2016, during his visit to China, then PM KP Sharma Oli signed the Transit and Transport Agreement (TTA)¹⁰⁷, under which China agreed to provide seven transit points - four sea ports (Tianjin/Xingang, Shenzhen, Liyanyungang, and Zhanjiang) and three land ports (Lanzhou, Lhasa, and Xigatse) to Nepal for its third country trade. China also agreed to provide permits to trucks and containers ferrying Nepal-bound cargo to and from Xigatse to Tibet. Likewise, Nepali traders were also allowed to use any mode of transport - roadways or railways – to access sea ports as well as dry ports, alongside accessing Chinese territory from six border checkpoints in Nepal.¹⁰⁸

While the need for trade diversification and to reduce trade overreliance on India was felt since long, the Indian blockade in 2015 provided an opportune moment for Nepal to open up further avenues of trade and search for new connectivity projects with China. Building upon the Transit and Transport Agreement of 2016, the Nepal-China BRI agreement further envisioned establishing and extending connectivity routes between the two, apart from other provisions. Of the proposed nine projects under the BRI, five are connectivity projects.

104 THT Online. “Nepal Signs Transit Treaty with China.” *The Himalayan Times*, 21 Mar. 2016, thehimalayantimes.com/nepal/nepal-signs-trade-transit-treaty-china. Accessed 15 Sept. 2023.

105 Embassy of Nepal, Beijing, China. “BILATERAL RELATIONS.” *Embassy of Nepal - Beijing, China*, cn.nepalembassy.gov.np/bilateral-relations/. Accessed 15 Sept. 2023

106 Ibid

107 Haidar, Suhasini, and Kallol Bhattacharjee. “Nepal Seals Agreement on Transit Rights through China.” *The Hindu*, 21 Mar. 2016, www.thehindu.com/news/international/Nepal-inks-transit-treaty-with-China-to-have-first-rail-link/article60514476.ece. Accessed 15 Sept. 2023.

108 Acharya, Pushpa Raj. “Nepal to Use Chinese Sea, Land Ports.” *The Himalayan Times*, 7 Sept. 2018, thehimalayantimes.com/business/nepal-allowed-to-use-chinese-sea-land-ports. Accessed 15 Sept. 2023.

The 2015 Indian blockade convinced all political parties that Nepal had no option but to diversify its connectivity and trade routes. This made Nepal's connectivity with China imperative. While there was always a tendency among Nepali policymakers to diversify Nepal's trade routes through China, it was not possible in the past due to China's own limitations. Once China built up the necessary infrastructure that allowed container traffic to pass through the Himalaya, Nepal's diversification of trade seemed possible.

A.10 Objectives of the Study

This research aims to carry out field-based study of the status of Nepal-China border operation and impact of border control on the livelihood (including GESI dynamics) and cross-border ties of residents of Nepal's northern districts including its impact on national security at three Nepal-China border points: Kodari-Zhangmu, Nechung-Lizi and Rasuwagadhi-Keyrung.

A.11 Rationale

Nepal and China have a long-standing economic and cultural relationship that dates back to the ancient Silk Road. However, their cross-border ties have evolved over time in response to various factors, including China's security concerns regarding Tibet and border closure owing to Covid-19 crisis. The annexation of Tibet by China in the 1950s, the development of alternative trade routes, and increased border controls have all contributed to a decline in cross-border interactions. The once-porous border has become more restrictive, affecting the movement of people and goods. Despite these changes, both countries continue to maintain friendly relations and have sought to strengthen their ties through initiatives such as China's Belt and Road Initiative, joint military exercises, and development assistance.

The Nepal-China relationship has experienced setback in the recent years. This is evident at the China's unilateral constraints in the border operation and in bilateral trade figures. In the last five years, imports from China to Nepal have continued to rise, while exports from Nepal to China remain meager. At the border, cross-border people's movement and religious exchanges have been limited and on a declining trend.

This research aims to investigate the status of current border operations and border control mechanisms implemented by the Chinese government and their impact on the livelihood of borderland residents in Nepal, their cross-border ties, including the gender and social inclusion aspects. The research's field study was limited to three border points, namely Kodari-Zhangmu, Nechung-Lizi and

Rasuwagadhi-Keyrung, and therefore the findings are mostly from these three border points.

A.12 Research Methodology

This research collected primary data from the Kodari-Zhangmu, Nechung-Lizi and Rasuwagadhi-Keyrung regions. Multiple Key Informant Interviews (KIIs) were conducted in the field with a variety of stakeholders, such as parliamentarians, bureaucrats, security officials, experts, researchers, journalists, and local leaders. In-depth discussions with borderland residents also served as an important source of information for this research. Desk research was also a significant component of this research, as quantitative and qualitative data were collected from several reliable secondary sources. Following the collection of primary and secondary data, the data was filtered and analyzed. This report summarizes the findings of the primary and secondary data, as well as the analysis of the same.

B. Findings and Analysis

B.1 Disrupted Nepal-China Trade

The 2015 Earthquake severely impacted the Kodari-Zhangmu border in Sindhupalchok, causing a complete halt in trade. Once a bustling hub of trade, with almost 80% of transnational Nepal-China trade taking place via the border itself¹⁰⁹, the Earthquake of 2015 caused the rerouting of Nepal-China bilateral trade via Rasuwagadhi-Keyrung. Rasuwa then experienced a flood of opportunities, with traders, truck drivers, and semi-skilled laborers gaining job avenues. Subsequently, in 2017, Rasuwa was announced as the new international border point between Nepal and China.¹¹⁰ Another border point of the field study, Nechung-Lizi at Mustang district holds trade fairs biannually, which is the only time any cross-border trade takes place with China through this border point. Cross-border trade through Mustang, however, wasn't heavily impacted by the 2015 earthquake, and up until 2020, trade fairs were held biannually.

The outbreak of the Covid-19 pandemic in 2020 however impacted cross-border trade through all these three border points. In Mustang, trade fairs aren't held since Covid-19 pandemic, and cross-border trade through Kodari-Zhangmu which was halted since the 2015 earthquake continued to remain so. Rasuwa also experienced intermittent border closure and mostly one-way trade.

As of August 2023, trade fairs in Mustang haven't been held for the last four years. Consequently, no trade has occurred through this border point. According to KIs, the trade fair is expected to resume within 2023.

The Kodari-Zhangmu border-point which was closed ever since the 2015 earthquake remained so up until May 2019. However, it was not long until the economic activity was severely affected by the Covid-19 lockdown, which began in March of the subsequent year. However, one-way trade continued to take place between the two nations via the checkpoint. On March 29 2023, following a joint meeting at Lhasa with bureaucrats and politicians, the border

109 Murton, Galen. "A Himalayan Border Trilogy: The Political Economies of Transport Infrastructure and Disaster Relief between China and Nepal." *Cross-Currents: East Asian History and Culture Review*, vol. 1, no. 18, Mar. 2016, escholarship.org/uc/item/01t8w749. Accessed 15 Sept. 2023.

110 The Kathmandu Post. "Rasuwigadhi-Keyrung Becomes Int'l Crossing Point." *The Kathmandu Post*, 31 Aug. 2017, kathmandupost.com/national/2017/08/31/rasuwigadhi-Keyrung-becomes-intl-crossing-point. Accessed 15 Sept. 2023.

at both Kodari-Zhangmu and Rasuwagadhi-Keyrung was agreed to open for two-way trade on May 1, and April 1, 2023 respectively. The two-way trade through Kodari-Zhangmu was officially resumed on May 1, as agreed, with the export of three containers carrying wicker stools and handicrafts. The border then closed again on May 2, citing ‘no demand for the products in Nepal,’ from China.¹¹¹ To date, the border at Kodari-Zhangmu has only been operational intermittently. This sometimes-on-sometimes-off border operation at Kodari-Zhangmu seems to have irked traders. As of September 2023, Kodari-Zhangmu finally opened for people-to-people movement after an eight-year hiatus.¹¹²

Before 2015 earthquake, Kodari-Zhangmu border was a bustling hub of trade, that used to witness the crossing of 1000-1500 vehicles daily, leading to traffic congestion, and employing around 670 labourers.¹¹³ Post-earthquake, share of total Nepal’s export to China through Kodari-Zhangmu’s fell from about 70 percent in 2013/14 to 52 percent in 2014/15.¹¹⁴ Furthermore, the share of Nepal’s import from China through Kodari-Zhangmu fell from 25 percent in 2013/14 to 11 percent in 2014/15. Share of import from China through Rasuwagadhi-Keyrung border increased to 8.5 percent in 2015/16.¹¹⁵ While overall import from China rose, export declined significantly since the earthquake of 2015. Of late, Nepal exports more to distant economies like Germany, France, and the United States in comparison to its export to China, its neighboring country. The table below illustrates the trend of increasing trade deficit between the two.

111 Prasain, Krishana, and Tiwari, Anish. “Nepali Traders Fed up with China’s Random Border Policy.” *The Kathmandu Post*, 13 May 2023, kathmandupost.com/money/2023/05/13/nepali-traders-fed-up-with-china-s-random-border-policy. Accessed 15 Sept. 2023

112 Onlinekhabar. “Tatopani Border Becomes Fully Operational after 8 Years.” *Onlinekhabar.com*, 1 Sept. 2023, english.onlinekhabar.com/tatopani-border-is-fully-operational.html. Accessed 15 Sept. 2023.

113 Kharel, Paras. From Tatopani to Rasuwa : An Analysis of Nepal-China Trade after the Earthquake. *South Asia Watch on Trade, Economics and Environment*, June 2018, ideas.repec.org/p/saw/wpaper/wp-18-02.html. Accessed 15 Sept. 2023.

114 Department of Customs

115 Kharel, Paras. “From Tatopani to Rasuwa: An Analysis of Nepal-China Trade after the Earthquake”. *South Asia Watch on Trade Economics and Environment*, 2018, mpra.ub.uni-muenchen.de/87543/1/An_analysis_of_Nepal-China_trade_after_the_earthquake.pdf. Accessed 15 Sept. 2023.

Nepal's Export to and Import from China (in million NPR)

Years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Export	1,719	1701	2,438	2,110	1,191	1,016	809
Import	116,116	129,878	159,987	205,519	181,920	233,923	264,784
Total	117,835	131,579	162,425	207,629	183,111	234,939	265,593
Share in export (%)	2	2.3	3	2	1.2	0.7	0.4
Share in import (%)	15	13	12	14	15	15	14

Source: Department of Customs (www.customs.gov.np)

The Rasuwagadhi-Keyrung border point benefited largely from the closure of the Kodari-Zhangmu border in 2015. The Rasuwa border experienced high employment for traders and semi-skilled laborers. Suddenly, the people of the region found a bustling environment for economic opportunities post-earthquake. During Covid-19, most of the one-way trade between Nepal and China took place via the Rasuwagadhi-Keyrung border point. Up to 28 cargos per day arrived in Nepal, intermittently, between 2020 to early 2023¹¹⁶. During times when there posited a high risk for Covid-19 infection, the trade would be halted altogether. As of April 2023, Rasuwa opened for two-way trade, following a high-level meeting at Lhasa on March 2023. As of September 2023, Rasuwagadhi-Keyrung remained the only border fully open for trade and cross-border ties, while Kodari-Zhangmu is opened intermittently.

B.2 The Dalai Lama Factor: Continued Tension for Border Operation

While on the surface, calamities and geographical terrain might seem to be the major impediment to declining cross-border trade and ties, there is more to it. While it is true that the geography has posed a challenge, the major concern between Nepal and China in border security and management is China's fear and suspicion pertaining to pro-Tibetan activities apart from the strenuous terrain, damages of the 2015 earthquake and fear of the Covid-19 pandemic.

116 Republica. "30 Cargo Vehicles Enter Nepal through Two Border Crossings with China." *My Republica*, 16 Sept. 2022, myrepublica.nagariknetwork.com/news/30-cargo-vehicles-enter-nepal-through-two-border-crossings-with-china/. Accessed 15 Sept. 2023. This Data was also confirmed with the KI at Customs Office at Rasuwagadhi

It was observed during the field visits that the reverence for the Dalai Lama in the borderland has been a recurrent source of tension in Nepal-China relations, as such reverence is also implied by China as the support for 'Free Tibet' movement. However, multiple KIIs and discussion with the locals of Lo Manthang (Upper Mustang), Tatopani, and Rasuwa revealed that the Dalai Lama is simply seen as a religious figure by the locals, rather than as a political figure. In the homes of many locals in Lo Manthang (Upper Mustang), Rasuwa, and Tatopani, it is common to find a picture of the Dalai Lama. The KIs, who are local leaders of the area, claim that the Dalai Lama is simply a religious figure and that the Tibet movement is not a major factor in their region.

China's major concern in the Nepal-China cross-border dynamics is that activities of Tibetan independence could emanate from Nepal's northern frontier, which predominantly has people of Tibetan ethnicity. Such fears are one of the reasons why China has adopted measures such as unilateral closure of borders, restriction of people-to-people movement, and constriction of cross-border trade. Several incidents that occurred in the last decade corroborate this claim.

Centre for Social Inclusion and Federalism's previous study revealed that after the 2015 earthquake, when the People's Liberation Army from China came to rescue the people of Tatopani, Sindhupalchowk, one of the hard-affected regions, they found pictures, manuscripts, teachings, and prophecy of Dalai Lama inside the houses of border residents, particularly along the Tatopani border point. Further, a small but significant demonstration took place in the Kodari-Zhangmu market near the Nepal-China border, where Buddhist activists and followers of the Dalai Lama demanded freedom for Tibet. Although this event was not covered by the media, a few KIs confirmed it, citing Chinese influence in the media as reason for the suppression of the news. These two incidents reportedly irked Chinese officials and added to the suspicions that the Tibetan Buddhist community over there was adherent political followers of the Dalai Lama – these suspicions and fears, according to the KIs, ultimately led to the closure of the Kodari-Zhangmu border point, first under the pretext of the damages resulted by the 2015 earthquake, and then under the pretext of Covid-19 pandemic.¹¹⁷

As for Lo Manthang in Mustang, it has long been considered a sensitive border region, due to two major events: the Khampa Guerilla Movement of the 1960s and the Karmapa Lama's escape in 1999. China's security concern in Mustang

117 Ghimire, Shraddha. "Cross Border Relations and China's Engagement with Nepal Along Nepal's Northern Border." *Foreign Engagement in Nepal and Nepal-China Cross Border Relations*. Editors Karna, Vijay Kanta and Gelal, Arpan, *Centre for Social Inclusion and Federalism (CESIF)*, 2022.

is evidenced by China's tightening control of the region, particularly in Lo Manthang, which has, in turn, disrupted ties between the border residents.

B.3 Trade Fair and Border Operation at Mustang

Zhongba County across the border at Kora La in Mustang has held trade fairs biannually for a long time. The fair took place around 10 kilometers from Nepal-China border. It provided a platform for Nepali and Tibetans to showcase their products and trade with one another. Managed by the Trans-border Trade Management Committee - previously chaired by the King of Mustang - the fair was the only opportunity for the locals of Mustang to be able to use their 30 km radius pass to go across the border. Barter was previously the common mode of exchange, but it is no longer the case. The residents of Upper Mustang would purchase Chyangra (High Mountain Goats) (often small Chyangras so that they could raise and sell them), and daily necessities like detergent, and Tibetan tea, among others; whilst they would sell locally made wool blankets, carpets, noodles, and silverware, among others. Chyangra would be purchased at around NPR 10,000, and would eventually be sold to Pokhara and other districts down below for around NPR 20,000-25,000. The bi-annual fair took place twice a year, for 10 days each, usually in the months of August and September.

Since 2020, the fair has been suspended owing to the Covid-19 pandemic. As a result, there has been a scarcity of Chinese goods, including Chyangra, salt, and tea leaves, among others. The goods shortage has not just impacted the residents of Lo Manthang, but also the people as far as Pokhara, who have to purchase Chyangra at an expensive cost - for up to NPR 45,000.

The discontinuation of the trade fair has troubled the residents at Lo Manthang, and local leaders have been quick to capitalize on it. The resumption of the trade fair has been a political agenda during election campaigns.

Local authorities are expecting the recommencement of the fair in 2023. KIs said that there is a possibility that the trade fair may be held at the border itself instead of 10 kilometers inside the Tibet Autonomous Region.

In September 2023, China has given a green light to the Kora La border point as a trade route facility. Recent developments indicate that the border point may open for daily trade and exchange as opposed to only twice a year during the two trade fairs. In 2017, the border was included in China's national port opening plan, and 399 million Yuan was invested to build 23 projects, such as joint inspection buildings

and cargo inspection channels.¹¹⁸ In 2019, the State Council approved the opening of the border to the outside world.¹¹⁹ Prior to the approval, Cao Wei, Secretary of the County Party Committee, visited the site for supervision in July 2023.¹²⁰ In August 2023, Deputy Secretary of the County Party Committee and County Governor Norbu Tsering conducted an in-depth investigation of the construction site and issued on-site penalty orders to two supervision units and one construction unit for not performing their duties properly. The orders required the units to rectify the problems.¹²¹ On 19 September 2023, a working group led by China's National Port Management Office and composed of China's Ministry of Foreign Affairs, the General Administration of Customs, and the National Immigration Administration inspected the port and unanimously approved it.¹²²

Nepali Prime Minister Pushpa Kamal Dahal's visit to Beijing in September 2023 brought about much developments on border management and operation. Both China and Nepal welcomed the opening of the Kora La (or Nechung-Lizi) port for passenger services. China has pledged to provide support to improve facilities on the Nepali side of the Nechung-Lizi port as soon as possible.¹²³

118 Khatchewan Commercial Bureau. “海拔4772米！西藏新增一陆路口岸。” *Weixin Official Accounts Platform*, 20 Sept. 2023, mp.weixin.qq.com/s/eC1uSV30sLudn5t0FQRU7g. Accessed 26 Sept. 2023.

119 Ibid

120 Zhongba County. “曹伟同志深入里孜口岸调研督导口岸项目建设。” *Weixin Official Accounts Platform*, 25 July 2023, mp.weixin.qq.com/s/?__biz=MjM5OTI3Mjg3MQ==&mid=2650619168&idx=3&sn=ed19dab52bc3310209fb760198d84722&chksm=b-f3795e888401cfef54ba47ebfe1e9c17c7a6cfd9065cbf3c6cf6fc1709d7f283bdb-dec45f3&scene=27. Accessed 26 Sept. 2023.

121 Zhongba County. “罗布次仁同志深入里孜口岸项目建设点调研并督导检查相关工作。” *Weixin Official Accounts Platform*, 30 Aug. 2023, mp.weixin.qq.com/s/?__biz=MjM5OTI3Mjg3MQ==&mid=2650622365&idx=2&sn=961d5e3ad-ba58550ce43bf01b53e3f1a&chksm=bf37e15588406843109a50b3e4421862318ea74766d-f63a486f492ac1431741cda105db9f7a0&scene=27. Accessed 26 Sept. 2023.

122 Tibetan Autonomous Region Shanghuang. “罗布次仁同志深入里孜口岸项目建设点调研并督导检查相关工作。” *Weixin Official Accounts Platform*, 20 Sept. 2023, mp.weixin.qq.com/s/?__biz=MjM5OTI3Mjg3MQ==&mid=2650622365&idx=2&sn=961d5e3ad-ba58550ce43bf01b53e3f1a&chksm=bf37e15588406843109a50b3e4421862318ea74766d-f63a486f492ac1431741cda105db9f7a0&scene=27. Accessed 26 Sept. 2023.

123 People's Republic of China and Nepal. “Joint Statement between the People's Republic of China and Nepal.” *Ministry of Foreign Affairs Nepal*, 26 Sept. 2023, mofa.gov.np/joint-statement-between-the-peoples-republic-of-china-and-nepal/. Accessed 26 Sept. 2023.

B.4 Shifting Focus on Rasuwagadhi-Keyrung Border Point

The opening of the Kodari-Zhangmu border on May 1 2023, was met with much excitement and anticipation from businesses and locals alike. However, the border was closed the very next day, citing a lack of demand for products¹²⁴. As of August 2023, Nepal has sent a total of 10 cargos across the border, while only 4-5 cargos per day on average come from China, and even those have been intermittent. Comparatively, the border point at Rasuwagadhi-Keyrung receives up to 20 cargos every day, and sends 4-5 cargos to China per day, as per the KIs at Kodari-Zhangmu and Rasuwagadhi-Keyrung Custom Office. The people relying on the border point of Kodari-Zhangmu are saddened to see China turn its back on this important border, which was once a major hub of trade.

China's random border shutdowns at Kodari-Zhangmu suggest that it may be prioritizing international trade through Rasuwagadhi-Keyrung instead. However, China's heavy investment in infrastructure at Kodari-Zhangmu contradicts this. The dry port at Kodari-Zhangmu was constructed with Chinese financial and technical support in 2019, at an estimated cost of USD 13.8 million. The Araniko Highway, which connects Kathmandu to the border crossing, was also constructed with Chinese aid in the mid-1960s and was rebuilt with Chinese assistance after being damaged in the 2015 earthquake. Chinese investment has also been seen in hospitals, schools, and hydropower projects in Sindhupalchok District.

The Rasuwagadhi-Keyrung border point rose to prominence after India's unofficial border blockade with India in 2015/16. The Kodari-Zhangmu border had been completely damaged by the 2015 earthquake, and the most important border point with India, Raxaul-Birgunj, was disrupted by protests by the Madhesi community in southern plains of Nepal. As a result, the only viable border crossing with China was via Rasuwagadhi-Keyrung. The opening of the Rasuwagadhi-Keyrung border led to a surge in cargo and job opportunities for laborers, truck drivers, traders, and others. This came at the expense of Kodari-Zhangmu, which saw a decline in trade and employment. Truck drivers in Sindhupalchowk district were suddenly unemployed, while semi-skilled laborers in Rasuwa found new avenues of employment¹²⁵. As a

124 Prasain, Krishana, and Tiwari, Anish. "Nepali Traders Fed up with China's Random Border Policy." *The Kathmandu Post*, 13 May 2023, kathmandupost.com/money/2023/05/13/nepali-traders-fed-up-with-china-s-random-border-policy. Accessed 15 Sept. 2023.

125 Kharel, Paras. From Tatopani to Rasuwa : An Analysis of Nepal-China Trade after the Earthquake. *South Asia Watch on Trade, Economics and Environment*, June 2018, ideas.repec.org/p/saw/wpaper/wp-18-02.html. Accessed 15 Sept. 2023.

result, there was an internal migration from Sindhupalchowk to Rasuwa. Later, in May 2017, a railway stretching from Xigatse, via Keyrung and Rasuwa, all the way to Kathmandu was proposed under the Belt and Road Initiative (BRI). Subsequently, in August 2017, the Rasuwa-Keyrung border point was declared the international border crossing.

The series of events discussed above suggest that the Chinese will continue to tighten security at the Kodari-Zhangmu border and that they are shifting their preference to the Rasuwagadhi-Keyrung border point. The preference for Rasuwagadhi-Keyrung over Kodari-Zhangmu may also be attributed to the prioritization of the Keyrung Valley, as the Keyrung Valley has always been a large market. Rasuwa also has a better geographical terrain than Kodari-Zhangmu, which may have also attracted the Chinese. However, some analysts believe that the heavy investment in infrastructure is a sign that China is still committed to opening the border, while others believe that the reluctance on the Chinese part to ease the flow of people and goods through Kodari-Zhangmu is a sign that China is shifting its focus to other trade routes, primarily Rasuwagadhi-Keyrung. Ultimately, the fate of the Kodari-Zhangmu border remains uncertain.

B.5 Lack of State Apparatus in Border

A border official at the Rasuwagadhi-Keyrung border jokingly remarked that if Langtang National Park in the Rasuwa district were to catch fire, the CCTV installed on the Chinese side would detect it before anyone in Nepal, suggesting the Nepali side does not have as many or as effective state mechanisms on the border.

The same applies to the Kodari-Zhangmu border point. Multiple CCTV cameras are installed on the Chinese side, enabling stringent surveillance and inspections. In contrast, the Nepali side has only one camera, which was installed a few years ago. Border officials consistently emphasized that Nepal needs to strengthen its border management mechanism by upgrading state apparatuses, such as infrastructure and technology, which are essential for Nepal-China border management to be on an equal footing.

Nepal's coordinated border security mechanism in the northern border points has often failed to regulate and facilitate cross-border dynamics. Coupled with a visible lack of infrastructure, technology, and state apparatuses, this further exacerbates Nepal's weak positioning and allows China to unilaterally impose an ad-hoc border policy. The stark contrast is clear at Kora La, with two large Chinese border offices on the Chinese side and the complete absence of any

state presence on the Nepali side except for a recently extended power line. The closest Nepali state presence is the Armed Police Force (APF) check post at Nechung, 13 kilometers from the border. As per discussions with the locals, people of the region have felt unsafe when Chinese policemen and officials made occasional unofficial visits, which occurred periodically before the Covid-19 pandemic. The fact that Nepali officials did not speak out against these visits and instead showered the Chinese officials with gifts and garlands further irked the residents.

The shortfall of Nepali state presence in Lo Manthang has created a power vacuum that China has been quick to fill. Chinese officials have not just been making unofficial visits to the area, but they have also been providing informal aid to the region. While providing informal aid, which has thus far bypassed the national database, demonstrates a level of trust and cooperation, it also raises concerns about national security. The channelization of aid and assistance superseding the Nepali regulations and issues of transparency regarding such assistance raises questions about the intentions behind these actions. Nonetheless, such aid emphasizes China's significant influence in the region.

China has been quick to invest in a variety of small-scale infrastructure development projects in the bordering region. These investments are largely intended to increase China's influence in the region. Many of China's infrastructure projects in the border areas have focused on the construction of roads and dry ports. China has been supporting the construction of a 16-kilometer road connecting Syrubesi in Rasuwa to Keyrung county in the Tibet Autonomous Region (TAR) of China. On the Nepali side, the Pasang Lahmu Highway, a 105-kilometer road from Trisuli to Sombdang, is being upgraded with the help of the Chinese government.¹²⁶

Nepal and China are also planning to construct cross-border roads through Simikot-Hilsa (85 km), Jomsom-Korala (80 km), and Khandbari-Kimanthanka (80 km).¹²⁷ China has completed building a dry port in Larcha, Sindhupalchowk district, with the motive of improving trade between the two countries. Further, dry docks are planned for Yari-Pulam, Rasuwa-Jilong, Kodari-Zangmu (Khasa),

126 Jha, Hari Bansh. "Nepal's Border Relations with India and China." *Eurasia Border Review*, 2013, src-h.slav.hokudai.ac.jp/publicn/eurasia_border_review/Vol41/V4N104J.pdf. Accessed 15 Sept. 2023.

127 Human Rights Watch. "Under China's Shadow | Mistreatment of Tibetans in Nepal." *Human Rights Watch*, Apr. 2014, www.hrw.org/report/2014/04/01/under-chinas-shadow/mistreatment-tibetans-nepal. Accessed 15 Sept. 2023

Kimathanka-Dingri, Olangchungola-Riwa, and Mustang-Lizi.¹²⁸ A dry port is an inland terminal where cargo is transferred between modes of transport (usually between ships and trucks or trains) without having to go through customs or other border formalities.

B.6 Informal Cross-Border Ties

The Nechung-Lizi border in Upper Mustang is the sole fenced border between Nepal and China. The fencing of the border is relatively new, having only taken place after the flight of the Karmapa in 1999¹²⁹. Prior to this, informal border crossings were common, as locals of Upper Mustang had intimate cultural and religious ties with Tibet. For example, one local recalled her father often crossing the border ‘informally’ to buy chyangras (high mountain goat) many years ago. Similarly, border residents would often ask Tibetan traders to bring goods close to the border in order to purchase from there. However, with China’s tightening border control, such informal crossings are now a thing of the past. The term “informal” here, does not imply “illegal,” but rather “not conducted through official channels.” Such crossings typically do not carry significant legal repercussions.

Although the fencing of the Kora La (Nechung-Lizi) border has put an end to most informal border crossings, it was learned that China continues to provide “informal aid” to Lo Manthang, Mustang when requested by local leaders. Consultative interviews with politicians and local government officials revealed that such aid is provided without being recorded in the nation’s official database, bypassing the Ministry of Finance and Ministry of Federal Affairs and General Administration – which channelizes formal aid to local bodies. On the contrary, the former and present Ministry officials interviewed claim that such aid will and must be recorded in the Ministry’s database. During the Covid-19 pandemic, local leaders in Lo Manthang had reportedly requested for relief supplies to the Zongba County, which was positively entertained by the officials across. Apparently, Chinese authorities had also recently provided excavators, grass-cutting machines/lawn mowers as sought by the authorities at Lo Manthang.

128 Ibid

129 Murton, Galen. “A Himalayan Border Trilogy: The Political Economies of Transport Infrastructure and Disaster Relief between China and Nepal.” *Cross-Currents: East Asian History and Culture Review*, vol. 1, no. 18, Mar. 2016, escholarship.org/uc/item/01t8w749. Accessed 15 Sept. 2023.

Such informal help is frequent in Lo Manthang and other bordering Rural Municipalities in Mustang. Local leaders in the bordering regions of Mustang with good connections to Zhongba County in China have been known to call Chinese officials to request aid on behalf of their rural municipalities. The Chinese officials have been quick to provide the necessities upon request.

While such a type of informal aid demonstrates a level of trust and cooperation between the bordering regions, it also raises concerns about national security. The absence of proper documentation and transparency regarding such assistance can create uncertainties and questions about the intentions behind these actions.

Until 1992, Lo Manthang was a restricted area for foreigners. Its ties with Tibet shared with mutual language, culture, and religion, had been stronger than its ties with Kathmandu. People were free to move across, without any restrictions or a fenced border. The Mustang Kings would play a crucial role in maintaining good diplomatic relations. The last king of Mustang and his family continue to be deeply revered in Mustang despite the declaration of the republic Nepal. The former royal (still regarded as the King by many in Mustang), Jigme Sita Palbar Bista, would be the chair of the Trans-border committee that holds the biannual trade fair. As mentioned by a KI, who served as a long-time bureaucrat in Upper Mustang, political developments in Nepal which eventually led to the ousting of the Mustang King had a deep impact on Nepal-China cross-border relations in the region. The King, who always married a Tibetan woman, was in a good position to maintain balanced diplomacy between Nepal and China. Due to Kathmandu's limited administrative reach in Mustang, the King of Mustang also served as an informal diplomatic envoy to inform the King in Kathmandu regarding important events on the border. This may explain why informal transactions and ties between the two nations continue to exist today. When Nepal became a republic in 2008, the Mustang King was stripped of all his allowances and recognition, and China and the Tibet Autonomous Region were forced to deal with the new local government with political parties who understood little about the deep cultural and informal ties between the two nations.

B.7 Gender and Ethnographic Dimension in the Northern Border Region

Trafficking was prevalent in the northern border region of Nepal before the earthquake of 2015, particularly in the border towns of Kodari-Zhangmu¹³⁰ and Rasuwagadhi-Keyrung¹³¹. With Covid-19 and the subsequent border closure, the incident of trafficking has declined significantly. Non-governmental civil society organizations (CSOs) like Maiti Nepal have a strong presence in the border towns of Kodari-Zhangmu and Rasuwagadhi-Keyrung, where they work closely with the Immigration Office to combat human trafficking. Maiti Nepal, together with Mahila Sanjal in Rasuwa, holds regular awareness campaigns, warning young girls and their families of human trafficking, and child marriage, among others. Similar awareness programs are held by Maiti Nepal in the Tatopani branch, wherein, young girls and their families are made aware of their rights and of ways to stay safer from being trafficked. These awareness campaigns are held regularly, almost four times a month in Rasuwa alone.

China implements its aid projects on its own, and while doing so, employs Chinese professionals and laborers. These workers are reported to have misbehaved with Nepali girls and luring them to work across the border, as informed by the KIs. Some officials in Mahila Sanjal at Rasuwa claimed that such incidents took place before Covid-19, when Chinese men would promise workers, both men and women, good salaries across the border, and apparently earned commissions up to NPR 15,000 to 20,000 per person recruited. This has led many in Rasuwa to believe that there are abundant employment opportunities in China, with some even willing to forge their age for the same.

A professional from Maiti Nepal inspects and counsels every woman who chooses to cross the border, mostly for employment-related purposes. Any girl below 18 years of age will be ineligible to acquire an immigration pass (without a guardian) and thereby will not be allowed to pass the border. However, if she is above 18, a professional from Maiti Nepal will counsel her regarding the risks of working abroad and what she needs to be careful about.

130 Poudel, Rishiram. "Kin Involved in Girls' Trafficking." *The Kathmandu Post*, 15 May 2014, kathmandupost.com/national/2014/05/18/kin-involved-in-girls-trafficking. Accessed 15 Sept. 2023.

131 World Bank Group. "Vulnerability to Human Trafficking in Nepal from Enhanced Regional Connectivity." *World Bank Group*, 2011, documents1.worldbank.org/curated/en/981551639049704664/pdf/Vulnerability-to-Human-Trafficking-in-Nepal-from-Enhanced-Regional-Connectivity.pdf. Accessed 15 Sept. 2023.

According to consultative interviews with professionals at Maiti Nepal in border points, the real problem, however, is that girls are forging their age while acquiring citizenship so that they are eligible to gain a border resident immigration pass. In many cases, their parents are involved and are often the ones who initiate the forgery. KIs said that as their families are struggling with poverty, they believe that employment in China would help improve their economic situation. It, thus, becomes contentious as to whether this constitutes trafficking or not. Not all women, who work there, often at their own will, are subjected to human rights abuses. Many of them work in “respectable” jobs such as supermarket salespersons, receptionists, among others. However, some girls also work in hotels and bars, and according to KIs, these jobs often involve prostitution. As women and their parents are both involved in forgery of age, even the Public Administration Office, as well as Nepal Police, is unable to tackle the problem.

Restrictive border controls have resulted in thousands of border residents migrating abroad in search of economic opportunities. While every household in Tatopani (Kodari-Zhangmu) has a male member temporarily migrated abroad, the female partner of the said member is left all by herself, which the KIs feel, tends to create depression among women and sometimes even leads to illegitimate affairs. Similarly, in Mustang too, out-migration is common, especially among the youth, and it is not uncommon to find only older people and children in settlements.

Most residents going abroad choose to go to Europe, the US, or Gulf nations in search of employment. Migration has also occurred from Tatopani to Rasuwa in order to benefit from the functional border. Such migrants to Rasuwa work as cargo drivers, traders, and hotel owners, among others.

B.7.1 Changing Dynamics of Cross-Border Marriages and Familial Ties

Cross-border marriages were common in the northern border region till a few generations ago, when border crossing was relatively fluid. Such relations acted as a glue to foster cross-border familial and cultural ties. But restrictive border controls have meant such relations have been quite rare in the recent years. In July 2023, Ex-Prince Jigme Dhrubho Palbar Bista, the eldest son of the last King of Mustang, got married to a lady from Taplejung¹³², defying traditional conventions of the Mustang Kings and Princes marrying a Tibetan.

132 NP Correspondent. “The ‘Prince’ of Mustang, Accompanied by 300 Horses and 50 Vehicles, Returned with the Bride.” *Nepal Page*, 4 July 2023, www.nepalpage.com/2023/07/04/218314/. Accessed 15 Sept. 2023.

Older locals continue to have memories of going across to Tibet for religious trips or visiting their relatives. A local interviewed at Rasuwa remembered crossing the border to her relative's place to attend a funeral or a festival when she was small. Although she is now allowed to cross the border using her pass, her phone is still inspected. If a picture of the Dalai Lama is found on her phone, she will not be allowed to cross¹³³.

With China's tightening of the border, which often involves unilateral discretion of who can and cannot make it across, religious and cultural ties too have come to a halt.

B.7.2 Ethnic Discrimination at the Border

Instances of discrimination have been reported from the Tamang, Sherpa and Lama community, or more specifically, those with Mongoloid physical features similar to Tibetans during the cross-border movement before the border closure, as per the KIs. People from such communities face hurdles while acquiring immigration passes to cross the border. Moreover, their freedom of movement is also restricted by the requirement that they register their details while travelling across the border and are at high risk of torture and ill treatment¹³⁴. Whether this is sporadic racial profiling or due to such communities' cultural and traditional ties with Tibetan Buddhists across the border leading to China perceiving them as ethnically Tibetan and thus a threat to their national security concerns requires more study

B.7.3 Diminishing Religious Linkages

Restrictions on border crossings have also had a significant impact on cross-border religious and cultural exchanges. The most revered mountain for Hindus and Buddhists, Kailash Mansarovar, is located in the Tibet Autonomous Region. The ritual of bathing in Lake Mansarovar holds great significance in both Hinduism and Buddhism. At Bajhang, in western Nepal, the closure of the route to Taklakot via Urai Pass has hindered residents to collect sacred water from the Mansarovar, for an annual worship tradition where the water is brought

133 This incident took place when researchers for the study were at the field visit

134 Ghimire, Shraddha. "Cross Border Relations and China's Engagement with Nepal Along Nepal's Northern Border." *Foreign Engagement in Nepal and Nepal-China Cross Border Relations*. Editors Karna, Vijay Kanta and Gelal, Arpan, *Centre for Social Inclusion and Federalism (CESIF)*, 2022. Accessed 23 Aug. 2023.

for rituals.¹³⁵ Although both Nepali and Indian pilgrims to Kailash Mansarovar used the Hilsa border crossing before the pandemic, such pilgrimage has halted from the crossing since the pandemic. Further, such pilgrims often paid high tour prices for the pilgrimage which is formally organised by tour operators in Kathmandu, which local residents cannot afford.¹³⁶

A diplomatic meeting in Lhasa in March 2023 had reached the agreement of opening one-way trade in Hilsa, Humla border point.¹³⁷ The closure of the border, since November 2019 had disrupted an annual worship tradition in bordering areas of Nepal, where water from Lake Mansarovar is brought for religious ceremonies.¹³⁸ However, China has uplifted the ban on Nepali pilgrims to travel to Kailsah Mansorobar in June 2023.¹³⁹

China also introduced new rules after the pandemic for pilgrims to travel to Kailash Mansarovar. The rules mostly impact Indians¹⁴⁰, who will have to spend at least INR 1.85 Lakh for the tour package.¹⁴¹ Pilgrims who hire a worker or helper from Nepal for assistance on their journey to Kailash will be required to pay an additional fee of \$300, or approximately INR 24,000. This fee, known as the “Grass Damaging Fee,” is levied by China in order to compensate for the damage that is done to the grass around Mount Kailash during the pilgrimage. Experts believe that this rule was introduced to tighten Indian movement to the region.

135 Narayan, Shriman. “China’s Border Closure Leaves Nepal’s Sacred Traditions in Limbo.” *Khabarhub*, 11 Aug. 2023, english.khabarhub.com/2023/11/313866/. Accessed 15 Sept. 2023.

136 Ibid

137 The Kathmandu Post. “Nepal and China to Meet in Lhasa for Secretary-Level Border and Trade Talks.” *The Kathmandu Post*, 26 Mar. 2023, [kathmandupost.com/national/2023/03/26/nepal-and-china-to-meet-in-lhasa-for-secretary-level-border-and-trade-talks](https://www.kathmandupost.com/national/2023/03/26/nepal-and-china-to-meet-in-lhasa-for-secretary-level-border-and-trade-talks). Accessed 15 Sept. 2023.

138 Narayan, Shriman. “China’s Border Closure Leaves Nepal’s Sacred Traditions in Limbo.” *Khabarhub*, 11 Aug. 2023, english.khabarhub.com/2023/11/313866/. Accessed 15 Sept. 2023.

139 Onlinekhabar. “Mansarovar Yatra is open for tourists after 3 years.” *Onlinekhabar*, June 21, 2023 <https://english.onlinekhabar.com/mansarovar-yatra-open.html>. Accessed 15 Sept. 2023

140 Prasain, Sangam. “Pilgrims to Kailash Discouraged by New Chinese Rules.” *The Kathmandu Post*, 8 May 2023, [kathmandupost.com/money/2023/05/08/pilgrims-to-kailash-discouraged-by-new-chinese-regulations](https://www.kathmandupost.com/money/2023/05/08/pilgrims-to-kailash-discouraged-by-new-chinese-regulations). Accessed 15 Sept. 2023.

141 First Post Staff. “China Hikes Kailash-Mansarovar Yatra Fees, Indians Will Have to Spend Rs 1.85 Lakh.” *Firstpost*, 11 May 2023, www.firstpost.com/india/china-hikes-kailash-mansarovar-yatra-fees-indians-will-have-to-spend-rs-1-85-lakh-12578302.html. Accessed 15 Sept. 2023.

B.8 Changing Livelihood Measures

A majority of people living in the Northern Region of Nepal (mainly Upper Mustang, Dolpa, Tatopani, and Rasuwa) share significant similarities with Tibetans in TAR. Cross-border trade was frequent, with locals exporting pashmina, wool, yarsagumba (caterpillar fungus), copper, silver utensils, food grains, and other products.¹⁴² Handmade Nepali carpets had also gained a significant market in China. Products such as salt, detergents, soaps, and other daily necessities were cheaper to buy from Tibet earlier, and hence were imported. Such imported items were sold not just within the northern belt, but all across the nearby cities.

At Kodari-Zhangmu, the closure of the border since 2015 has had significant effects on cross-border relations and the locals' livelihood. It had created uncertainty for businesspersons regarding the arrival of goods and also lacks proper facilities for waiting at the border areas. Trade activities have been disrupted, and the movement of people across the border has been affected. Previously, the people of bordering districts enjoyed the freedom to travel across the border, granted by the border pass that allowed them to reach till 30-KM radius for trade and employment opportunities.¹⁴³

As a result, locals have faced numerous challenges, leading some to migrate to different big cities in Nepal. However, some residents, mostly youths, have also migrated abroad. Young people in Mustang, as well as Rasuwa, were found to have migrated abroad, to the US, Europe, and the Gulf. That aside, goods have to be imported from either Kathmandu or nearby urban centers, and the northern borderland region has been subjected to higher prices.

In Upper Mustang, historically the most prominent means of livelihood were agriculture, livestock herding and trans-Himalayan trade. Tourism became prominent especially after Mustang was opened up to tourists in 1992. However, the restricted area permit fee charged by the Annapurna Conservation Area Program (ACAP) of USD 500 per person for 10 days is high and has discouraged tourism, KIs said. While tourism helped generate income and opportunities in the region, trade of agriproducts including products like barley, wheat, potatoes,

142 The Rising Nepal. "Export Begins from Tatopani Customs after Eight Years." *GorakhaPatra*, 2 May 2023, risingnepaldaily.com/news/26209#:~:text=Before%20the%20earthquake%2C%20182%20types. Accessed 15 Sept. 2023.

143 In September 2023, China announced the opening of Kodari-Zhangmu border for peoples' movement to the residents of Sidhupalchok, however, the continuation of the border operation for peoples' movement is skeptical.

and livestock are also prominent between the two countries. Chyangra raising is an important means of livelihood for the people of Mustang, that they did not just sell across the border but also downhill in Pokhara. Similarly, products made out of Chyangra, such as pashmina and wool are also traded. While agriculture, trade, and livestock farming occupied summer, people of Mustang migrate to lower parts for winter, to combat the harsh weather. Only those too old and frail to work, remain up. The younger population temporarily emigrates to cities like Pokhara or other cities in Northern India, where they work until the winter is over; after which they return back to Mustang. Such has been the practice for a long time.

After the halt in cross-border biannual trade fairs, the people of Upper Mustang are now grappling with inflation due to supply chain constraints. The discontinuation of the fairs has meant all supplies have to come from Pokhara, which increases overall costs. Also, the out-migration of youths has resulted in a shortage of laborers resulting in migration of people from places like Myagdi and Baglung to upper Mustang to work in low-paying tourism jobs or as labourers. According to the census of 2011, the number of absentee population in Mustang was 1,425 out of 14,877, however, the absentee population in 2021 stood at 3,830 out of 18,282; indicating an increment in emigration in the ten-year period.¹⁴⁴

Rasuwa, on the other hand, experienced a wide range of employment opportunities in the aftermath of the earthquake, when the trade point was shifted to Rasuwa. However, although there was two-way trade between the two nations from Rasuwa until 2019, there was little to no trade in 2021 due to Covid-19 restrictions. For most of 2022, too, there was only one-way trade between Nepal and China. Finally, on April 1 2023, the border at Rasuwa reopened for two-way trade.

Prior to the 2015 earthquake, people in Rasuwa relied primarily on agriculture and small business ownership; however, post-earthquake and the subsequent shifting of the trade point, Rasuwa experienced a surge of semi-skilled employment, such as truck drivers, and laborers, among others. With the increment in trade, other businesses associated with trade also took an increasing turn. The border point became so attractive that some internal migration from Tatopani to Rasuwa also took place.

144 National Statistics Office. "National Population and Housing Census 2021." *National Statistics Office*, 2021, censusnepal.cbs.gov.np/results/migration?province=4&district=38. Accessed 15 Sept. 2023.

To sum up, border closures due to Covid-19 since 2020, coupled with China's unilateral border policies, have impacted the livelihood of all northern bordering region. Trade, the main source of livelihood, and trade-related employment have subsided with the closure. As a result, many young people have lost interest in staying in the region and have instead chosen to go abroad, or other places within Nepal in search of better opportunities. This phenomenon is particularly evident in the northern bordering regions. The lands have been left fallow with no workers to plow them. High inflation is prevalent as the aggregate supply has decreased. Often the goods that can easily be procured from the other side have to now be procured from major trade centres such as Kathmandu and Pokhara, increasing their costs.

B.9 Changing Border Protocols/Management and Security Implications

The Nepal-China border has undergone a number of changes in recent years. Natural disasters, such as landslides, and earthquakes, coupled with political events, have led to the tightening of the border. KIs at Tatopani reveal that there is now decreased economic activities and opportunities. While unauthorized human passing, as well as human trafficking, was an issue in the past, especially post-earthquake when a large number of the population was displaced and the border itself was damaged; now with stringent border measures (especially from China's side), such issues are no longer prominent. However, gold and red sandalwood smuggling is a security threat, as some KIs stated.

While from Nepal's perspective, trafficking and smuggling are a security threat, it is not the same from China's perspective. China's Tibet Concern and its security has remained as the one major factor that has been guiding China's border management. Over the years, China has further tightened regulatory measures to ensure no security risks pertaining Free Tibet related activities emanating in Nepal's northern region and/or spill over across the border. China has increased surveillance such as including CCTV cameras even in forested areas, and strengthened its border security by increasing officials deployed to the borders.

China's powerful border surveillance system reveals its major concerns. Local KIs in Rasuwagadhi report that local residents, mostly of Mongolian and Tibetan origin, are subjected to excessive security checks when crossing the border using their local resident border cards, compared to people of other origins. In some cases, these residents have been denied entry because of a photo of the Dalai Lama on their mobile phones at border inspections. This suggests that only

people of Tibetan origin who practice Buddhism are subjected to excessive interrogation and discrimination based on their religious affiliation.

The wide asymmetry in state capacity and border infrastructure between China and Nepal in the northern borderlands has weakened Nepal's presence in the region. Despite the provision for a Nepal-China joint border mechanism in the 1963 Boundary Protocol, China has repeatedly resorted to unilateral actions, demonstrating the failure of the joint border mechanism in practice. China's consistent unilateralism on the border shows a complete breakdown of the mechanism.

Also, due to China's sinicization¹⁴⁵ of Tibet through the employment of Han Chinese officials at Nepal-China border posts, communication and coordination have been difficult. KIs in Rasuwagadhi-Keyrung border points state that the border officials on the Chinese side are mostly Han Chinese who are not fluent in the local language, Tibetan. People in the northern border region primarily speak Tibetan, which is why they have had maintained good cross-border ties over the years. However, with the increasing number of Han Chinese officials at border posts, both locals and Nepali border officials have faced difficulties in border operations and management. An APF personnel deployed at Kodari-Zhangmu, who was previously deployed at a southern border point, reflected that the language barrier in the north¹⁴⁶ poses a greater challenge to border management than in the south.

As of August 2023, China has handed 21 drones to Nepal's police force for border surveillance and disaster response.¹⁴⁷ This move, aimed at boosting Nepal's security capabilities, raises important questions about potential security vulnerabilities associated with adopting foreign technology. Simultaneously, Nepal and China are set to renew their military and defense engagements, marking a significant step forward after the disruptions caused by the Covid-19 pandemic. This renewal involves joint exercises between the Nepali and Chinese People's Liberation Army and participation in China's national defense course.¹⁴⁸

145 Sinicization here refers to China's attempts at extending linguistic and cultural hegemony, that of Han Chinese, over communities following different language, culture or religion.

146 Karki, Tapendra. "Language Becomes a Barrier to Nepal-China Border Security." *My Republica*, 10 Sept. 2023, myrepublica.nagariknetwork.com/news/145446/. Accessed 15 Sept. 2023.

147 The Kathmandu Post. "China to Provide 21 Drones to Nepal Police." *The Kathmandu Post*, 10 Aug. 2023, kathmandupost.com/national/2023/08/10/china-to-provide-21-drones-to-nepal-police. Accessed 15 Sept. 2023.

148 Giri, Anil. "Nepal, China to Resume Joint Military Drills." *The Kathmandu Post*, 18 Aug. 2023, kathmandupost.com/national/2023/08/18/nepal-china-to-resume-joint-military-drills. Accessed 15 Sept. 2023.

B.9.1 Border Dispute Between Nepal and China and its Impacts

Over the years, there have been a few cases of border disputes between Nepal and China - and those disputes have impacted the cross-border ties for worse. The pillar no. 57 in Dolakha remained a major bone of contention between the two. That aside, there have been border disputes in Gorkha, Humla and Sankhuwasabha.¹⁴⁹ The two haven't been able to hold the fourth boundary protocol meeting yet, which was supposed to be held in 2011. In 1988, the two countries had signed the last (and third) boundary protocol and in 2006, three mechanisms were constituted which worked till 2011 - after that, no further progress has been made.¹⁵⁰

Nepali Congress lawmaker and then Chief Minister of Karnali Province, Jeevan Bahadur Shahi, accused China in 2020 of encroaching Nepal's territory in the Humla district. The then Chief Minister Shahi claimed that the pillar was rearranged by the Chinese in such a way that Nepal ended up losing a large chunk of land. Commenting upon it, the Chinese embassy in Nepal said that 'Nepal and China do not have any territorial dispute.'¹⁵¹ The Ministry of Foreign Affairs also released a statement claiming that there was no encroachment as such¹⁵², however, later in 2021, the Ministry of Home Affairs formed sent a team of researchers to investigate the encroachment.¹⁵³ The report went on to get leaked, and it revealed that the land was indeed encroached.¹⁵⁴ This is just a case in point. However, the border disputes have increased misunderstandings between the two, and consequently, cross-border ties have been negatively impacted. China has shown tendency to deny border encroachment and disputes while unilaterally taking actions to its advantage. As a result, cross-border collaboration between two has deteriorated, and borderland residents and traders have borne the brunt of it.

149 Giri, Anil. "Nepal, China Agree to Activate Existing Boundary Mechanisms." *The Kathmandu Post*, 15 July 2022, tkpo.st/3IHDoz6. Accessed 15 Sept. 2023.

150 Ibid

151 Himalayan News Service. "NC Lawmaker-Led Team Reports Chinese Encroachment in Humla." *The Himalayan Times*, 12 Oct. 2020, thehimalayantimes.com/nepal/nepali-congress-lawmaker-led-team-reports-chinese-encroachment-in-humla. Accessed 15 Sept. 2023.

152 Ministry of Foreign Affairs. "Press Statement on News Report about Nepal-China Border." *Ministry of Foreign Affairs*, 23 Sept. 2020, mofa.gov.np/press-statement-on-news-report-on-nepal-china-border/. Accessed 15 Sept. 2023.

153 The Kathmandu Post. "Government Team to Visit Humla to Study Nepal-China Border Dispute." *The Kathmandu Post*, 4 Sept. 2021, kathmandupost.com/national/2021/09/04/government-team-to-visit-humla-to-study-nepal-china-border-dispute. Accessed 15 Sept. 2023.

154 Bristow, Michael. "China Encroaching along Nepal Border - Report." *BBC News*, 8 Feb. 2022, www.bbc.com/news/world-asia-60288007. Accessed 15 Sept. 2023.

Prime Minister Pushpa Kamal Dahal's visit to Beijing in September 2023 also brought favorable accords in Nepal-China border operation. According to the Joint Statement released during his visit, China agreed to work towards the early reopening of other eligible traditional China-Nepal border trade points. Both sides agreed to maintain communication for the early opening of Chentang-Kimathanka, Riwu-Olangchung Gola ports.¹⁵⁵

Additionally, the two sides agreed to undertake a joint inspection of the China-Nepal border. As per the joint statement, the two sides agreed to bring into force the Agreement Between the Government of the People's Republic of China and the Government of Nepal on the Boundary Management System as soon as possible. The two sides agreed to continue consultations on the Protocol between the Ministry of Public Security of the People's Republic of China and the Ministry of Home Affairs of Nepal on the establishment of Boundary Contact System at three levels, so as to elevate the level of border management and cooperation between the two countries.¹⁵⁶

155 People's Republic of China and Nepal. "Joint Statement between the People's Republic of China and Nepal ." *Ministry of Foreign Affairs Nepal*, 26 Sept. 2023, mofa.gov.np/joint-statement-between-the-peoples-republic-of-china-and-nepal/. Accessed 26 Sept. 2023.

156 Ibid

C. Conclusion

Nepal's cross-border relations with its northern neighbor evolved through two phases. In the first phase, which lasted until the 1950s, Nepal was able to exert a greater degree of influence over Tibet. In the second phase, which began in the 1950s after the annexation of Tibet by the People's Republic of China (PRC), the PRC was able to exercise more leverage over Nepal in cross-border dynamics.

Initially, Nepal sought to replicate its cross-border ties with Tibet in the PRC, marked by relaxed border controls and concessions. However, the PRC refused to allow Nepal similar ties. PRC's military and economic might influenced the cross-border ties to China's advantage, often at the expense of borderland residents. Cross-border trade, which traditionally benefited from the loose tax system in Tibet, became difficult as Chinese officials imposed less favorable rules. Khacharas, who enjoyed relaxed taxation measures in Lhasa and other parts of Tibet, were eventually subjected to strict tax rules. Furthermore, religious and cultural ties declined due to tighter border controls.

The border region also witnessed a few setbacks, such as the Khampa guerrilla movement and the escape of the Karmapa Lama, which further deteriorated Nepal-China relations. Ultimately, China felt compelled to control border movement, disrupting the special cross-border ties that existed. Today, people of Lama, Sherpa, or Tamang descent find it difficult to cross the border to meet their relatives in Tibet, as Chinese border officials inspect their phones and deny entry to anyone found with a picture of the Dalai Lama.

Due to Nepal's weaker state capacity and state presence in the borderland region, China's dominance and unilateral approaches in cross-border affairs have been a key factor in the evolution of Nepal-China cross-border ties. China's random border closures have had a significant impact on the economy and cross-border ties of the northern frontier. Nepalese traders in the Kodari-Zhangmu border region, for example, have suffered heavy losses and been frustrated by the arbitrary closures. While rugged terrain and natural disasters have always been challenges to cross-border trade, these factors were not insurmountable in the past, suggesting that political impediments are the real obstacle to cross-border cooperation.

The Dalai Lama issue is one of the most significant political impediments to Nepal-China relations. This was evident when the Chinese People's Liberation Army (PLA) helped clear the rubble in Tatopani in 2015 earthquake and found

scriptures and portraits of the Dalai Lama. According to KIs, the PLA was quite upset with this, and their subsequent unilateral border control measures reflect this. However, it would be quite difficult to find a household in the northern border region that does not have a portrait of His Holiness. The Dalai Lama's portrait hangs in every household in the region, and the people there revere him as a religious leader, not a political figure. Despite this, China regards reverence to the Dalai Lama as equivalent to support for the cause of Tibetan independence, and hence perceives it as a security threat. China has aggressively dealt with these issues, which has severely impacted cross-border ties and the local communities.

Another prominent feature of the contemporary Nepal-China cross-border dynamics is the significant decrease in exports from Nepal. Although the decline in trade between Nepal and China has been attributed to the Covid-19 pandemic, other factors, such as China's increasing reliance on similar goods exported from other countries, Nepal's own inability to invest in productive sectors, and China's unilateral border controls, have also played a role. Furthermore, China's unilateralism in the border operation has discouraged exporters.

China has de-emphasized the Kodari-Zhangmu border crossing at Tatopani, Sindhupalchok, in favor of the Rasuwagadhi-Keyrung border after the 2015 earthquake. However, China has invested in border infrastructure at Tatopani, including a USD 17.78 million dry port. Cross-border trade at Tatopani has been sporadic since border reopening in May 2023, and was disrupted for almost eight years due to China's unilateral border closures. As a result, many young people have emigrated in search of better employment opportunities, while others have shifted to other means of livelihood, such as running homestays for tourists and engaging in internal trade.

Since 2015, cross-border trade via Rasuwa has increased. This has led to a variety of job and employment opportunities for local residents. In Mustang, however, the pandemic severely affected the trade fairs, which were a significant part of the local economy and the only way for Upper Mustang residents to trade across the border. As a result, there has been no cross-border trade in the area in the last three years. Although cross-border trade has resumed in full swing in Rasuwa and intermittently in Tatopani since 2023, the movement of borderland residents has been made difficult. Chinese border officials perform strict checking for the locals in the cross-border movements which has led to significant decrease in cross-border marriages and cultural exchanges.

The livelihood pattern in the northern bordering districts has changed significantly over the years. Due to unilateral border closures, stricter cross-border movement restrictions, and declining cross-border trade, borderland residents have shifted to other means of employment and livelihood, such as internal trade, tourism, and agriculture. Emigration is a major phenomenon in the borderland region, resulting in a growing population of older citizens and a shortage of young people.

Nepal-China cross-border ties go beyond formal channels; historically, informal cross-border ties were just as prominent. However, China's stricter border controls have led to a decline in informal cross-border ties through stricter border controls. Nonetheless, some forms of informal cross-border ties, such as informal aid and assistance during calamities or disasters, and cultural exchanges, continue to thrive today.

Annex

Timeline of Nepal-China Events

20 October 1792

The Betrawati Treaty, a peace treaty, was signed between Nepal and China at the end of the Sino-Nepali War. The treaty stipulated that the King of Nepal would agree to send a delegation and presents to Peking every five years. This tradition of sending missions to Peking continued until 1906.¹⁵⁷

24 March 1856:

The Treaty of Thapathali was signed, in which Tibet agreed to give up control of several areas, including Keyrng, Kuti, Junga, Tagla Khar, Chewur, and Dhakling, to Nepal. Additionally, it was decided that the Gurkha soldiers who were stationed in the northern region of Bhairab Langar would be withdrawn, effectively establishing a border between Tibet and Nepal. Furthermore, Tibet was required to make annual payments to the Gurkha king.¹⁵⁸

20 September 1950:

An agreement to maintain the friendly relations between the Kingdom of Nepal and the People's Republic of China signed on September 20, 1950. The treaty mainly focused on trade and communication between the two nations. As per Article III of the agreement, both countries nullified all previous treaties and agreements that were signed between them.¹⁵⁹

23 May 1951:

The 17-Article Agreement, also known as the Agreement of the Central People's Government and the Local Government of Tibet on Measures for the Peaceful Liberation of Tibet, was signed, leading to the liberation of Tibet from foreign invaders and promoting unity and progress with other ethnic groups in China. Since then, under the leadership of the Communist Party of China (CPC), the

157 Kumar Manandhar, Vijay. "The Nepalese Quinquennial. Missions of 1792 and 1795 to China." *Ancient Nepal*, himalaya.socanth.cam.ac.uk/collections/journals/ancientnepal/pdf/ancient_nepal_145_02.pdf. Accessed 15 Sept. 2023.

158 Department of States. "International Boundary Study: China - Nepal Boundary." *The Geographer Office of the Geographer Bureau of Intelligence and Research*, 1965, web.archive.org/web/20120503141259/http://www.law.fsu.edu/library/collection/LimitsinSeas/IBS050.pdf. Accessed 15 Sept. 2023.

159 Ibid.

people of Tibet have worked together to implement the agreement and protect national sovereignty and territorial integrity.¹⁶⁰

1956:

A new treaty was established to replace the Treaty of Thapathali, in which Nepal acknowledged China's authority over Tibet and consented to relinquishing all privileges and rights that were granted under the old treaty.¹⁶¹

21 March 1960:

Nepal and China entered into a treaty that specified the "traditional customary line" as the foundation for their boundary treaty. The two countries also established the Joint China-Nepal Boundary Commission, which was responsible for examining and defining their respective boundaries.¹⁶²

28 April 1960

The Sino-Nepalese Treaty of Peace and Friendship was an official settlement between the governments of Nepal and China signed on 28 April 1960, which ratified an earlier agreement on the borders separating the neighboring nations from each other. The treaty reaffirmed the five principles of peaceful coexistence - i) Mutual respect for sovereignty and territorial integrity, ii) Non-aggression, iii) Non-interference in each other's internal affairs, iv) Equality and mutual benefit, v) Peaceful coexistence

5 October 1961:

The Boundary Treaty between the People's Republic of China and the Kingdom of Nepal was signed.¹⁶³

160 Chinese Embassy, Germany. "Full Text:Tibet since 1951:Liberation, Developmentand Prosperity." *Chinese Embassy, Germany*, 21 May 2021, de.china-embassy.gov.cn/det/zt/sjwj/202105/t20210521_9046062.htm. Accessed 15 Sept. 2023.

161 Savada, Andrea Matles. "Nepal: A Country Study." *Washington: GPO for the Library of Congress*, 1991, <https://countrystudies.us/nepal/>. Accessed 15 Sept. 2023

162 Khatri, Padma Bahadur "Nepal - China Sima Sandhi" *Gorkhapatra*, Volume 63, Issue No. 313, Falgun 24, 2018 (March 7, 1962, pp. 2 - 3).

163 Government of Nepal, and People's Republic of China. "BOUNDARY TREATY between the People's Republic of China and the Kingdom Of NEPAL." Law Info China, 1961, lawinfochina.com/display.aspx?id=311&lib=tax&SearchKeyword=&SearchCKeyword=. Accessed 15 Sept. 2023.

23 January 1963:

A Protocol was signed as an addendum to the Nepal-China Boundary Treaty. The Joint Commission's final demarcation work was incorporated into the Protocol, which consisted of five parts. Part I covered general arrangements, Part II detailed the final delimitation, Part III outlined the erection of pillars, Part IV dealt with the maintenance of the pillars, and Part V served as a concluding section.¹⁶⁴

May 1967:

The Kathmandu-Kodari Road opened in May 1967.^{165,166}

1975:

King Birendra proposed the idea of declaring Nepal a “zone of peace,” and China was the first country to lend its support to this proposal. Following this, China embarked on several initiatives in Nepal, including the construction of the Kathmandu-Pokhara and Pokhara-Butwal highways, as well as the establishment of an agricultural tool factory, among others.¹⁶⁷

1988:

To challenge India's primacy in Nepal, Nepal negotiated a deal for the purchase of Chinese weapons.¹⁶⁸

2008:

In 2008 there occurred large-scale anti-China protests in various parts of Nepal, including the streets of Kathmandu, majorly organized by Tibetan refugees

164 Department of States. “International Boundary Study: China - Nepal Boundary.” *The Geographer Office of the Geographer Bureau of Intelligence and Research*, 1965, web.archive.org/web/20120503141259/http://www.law.fsu.edu/library/collection/LimitsinSeas/IBS050.pdf. Accessed 15 Sept. 2023.

165 Namaste Sindhupalchowk. “Araniko Highway - Kathmandu to Kodari - Highway in Nepal.” *Namaste Sindhupalchowk*, 27 Dec. 2022, namastesindhupalchowk.com/blog/araniko-highway-kathmandu-kodari. Accessed 15 Sept. 2023.

166 Savada, Andrea Matles. “Nepal: A Country Study.” *Washington: GPO for the Library of Congress*, 1991, <https://countrystudies.us/nepal/>. Accessed 15 Sept. 2023

167 The Annapurna Express. “Turning Points in Nepal-China Relations.” *The Annapurna Express*, theannapurnaexpress.com/news/turning-points-in-nepal-china-relations-1419. Accessed 15 Sept. 2023.

168 Savada, Andrea Matles. “Nepal: A Country Study.” *Washington: GPO for the Library of Congress*, 1991, <https://countrystudies.us/nepal/>. Accessed 15 Sept. 2023

living here, demanding independence of the Tibet Autonomous Region. It was cited as the most organized demonstration in the past 50 years.¹⁶⁹

02 August 2014:

In Nepal's Sindhupalchok District, a landslide triggered by heavy rainfall resulted in the deaths of 156 people and the formation of an artificial lake by blocking the Sunkoshi River. The landslide also caused extensive damage to the Araniko Highway, which is the primary trade route between Nepal and China. The landslide destroyed approximately 5 km of the highway, resulting in a disruption of trade and travel between the two countries.

25 April 2015:

Nepal was hit by a powerful earthquake with a magnitude of 7.9. This resulted in the deaths of thousands of people, with additional casualties also reported in neighbouring countries such as China and India. The earthquake also caused an avalanche on Mount Everest which claimed numerous lives.¹⁷⁰

28 April 2015:

China provided immediate aid to Nepal for relief, recovery and reconstruction after the Earthquake of 2015.¹⁷¹

March 2016:

Nepal and China signed the Transit and Transport Agreement, which was a significant development that occurred amidst India's unofficial blockade. This agreement, in principle, opened up the possibility for Nepal to use Chinese ports and other routes for third-country trade, thereby breaking India's monopoly on Nepal's supply chain.¹⁷²

169 Nayak, Nihar R. "Strategic Himalayas: Republican Nepal and External Powers." *Institute for Defence Studies & Analyses*, Pentagon Press, 2014, idsa.in/system/files/book/book_StrategicHimalaya_0.pdf. Accessed 15 Sept. 2023.

170 Harris, Gardiner. "Everest Climbers Are Killed as Nepal Quake Sets off Avalanche." *The New York Times*, 25 Apr. 2015, www.nytimes.com/2015/04/26/world/asia/everest-climbers-killed-as-nepal-quake-sets-off-avalanche.html. Accessed 15 Sept. 2023.

171 Tiezzi, Shannon. "After Devasating Earthquake, China Rushes Aid to Nepal." *The Diplomat*, 28 Apr. 2015, thediplomat.com/2015/04/after-devasating-earthquake-china-rushes-aid-to-nepal/. Accessed 15 Sept. 2023.

172 Nepal Trade Information Portal. "Trade Agreement - NTIP." *Nepal Trade Information Portal*, nepaltradeportal.gov.np/trade-agreement?p_p_id=utilportlet_WAR_tepc&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&utilportlet_WAR_tepc_param=getDetail&id=307. Accessed 15 Sept. 2023.

12 May 2017:

Nepal and China signed a Memorandum of Understanding (MoU) on the Belt and Road Initiative (BRI), which aimed to promote mutually beneficial cooperation between the two countries in various areas such as economy, environment, technology, and culture. The MoU signified a commitment from both sides to work together on a range of issues, with the ultimate goal of strengthening ties and fostering greater cooperation between Nepal and China.¹⁷³

2020-2021:

The Rasuwagadhi and Tatopani border points were closed multiple times in 2020 and 2021 due to the COVID-19 pandemic, heavy snowfall or ongoing construction works. The border points briefly reopened with strict preventive measures in place following the Lhosar festival in 2021.¹⁷⁴

December 28 2022:

After three years of keeping the Rasuwagadhi-Keyrung border closed to two-way traffic, Beijing allowed Nepal's exports to pass through into China via this route. While Chinese goods had been intermittently entering Nepal through Keyrung, one of the two international border points between Nepal and China, until now, exports from Nepal to China had been halted.¹⁷⁵

However, the border point at Kodari-Zhangmu was not certain until December, 2022.

173 Xinhua. "Nepal, China Sign Bilateral Cooperation Agreement under Belt and Road Initiative." *Xinhua Net*, 12 May 2017, www.xinhuanet.com/english/2017-05/12/c_136276949.htm. Accessed 15 Sept. 2023.

174 Dhungana, Nabin. "Nepal-China Trade Hasn't Been Smooth for Years. No One Knows What It Takes to Revive Normality." *Onlinekhabar.com*, 30 Sept. 2021, english.onlinekhabar.com/nepal-china-trade.html. Accessed 15 Sept. 2023.

175 The Kathmandu Post. "China Reopens Kerung-Rasuwagadhi Border to Nepali Exports." *The Kathmandu Post*, 28 Dec. 2022, kathmandupost.com/money/2022/12/28/china-reopens-kerung-rasuwagadhi-border-to-nepali-exports. Accessed 15 Sept. 2023.

29 March 2023:

The Rasuwagadhi-Keyrung border is set to be fully operational from April 1, 2023, while Kodari-Zhangmu will reopen from May 1, 2023. China also agreed to consider setting up a lab on the Nepal-China border to facilitate exports from Nepal. The agreement was reached during a meeting on March 29, 2023, for the Nepal-China Coordination Mechanism on Border Trade and Cooperation.¹⁷⁶

September 2023:

Prime Minister Pushpa Kamal Dahal made a visit to Beijing which brought about much developments on border management and operation. Both China and Nepal welcomed the opening of the Kora La (or Nechung-Lizi) port for passenger services. According to the Joint Statement, China also agreed to work towards the early reopening of other eligible traditional China-Nepal border trade points. Both sides agreed to maintain communication for the early opening of Chentang-Kimathanka, Riwu-Olangchung Gola ports.¹⁷⁷

176 The Kathmandu Post. "Kerung and Tatopani Border Points Set to Reopen Fully for Trade, Travel." *The Kathmandu Post*, 30 Mar. 2023, kathmandupost.com/national/2023/03/30/kerung-and-tatopani-border-points-set-to-reopen-fully-for-trade-travel. Accessed 15 Sept. 2023.

177 People's Republic of China and Nepal. "Joint Statement between the People's Republic of China and Nepal ." *Ministry of Foreign Affairs Nepal*, 26 Sept. 2023, mofa.gov.np/joint-statement-between-the-peoples-republic-of-china-and-nepal/. Accessed 26 Sept. 2023.

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