

CLAWS Newsletter



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NEPAL

INTERNAL AFFAIRS

August 6 ([Kathmandu Post](#)) Parliamentary committee targets rights groups over judiciary statement

A parliamentary committee directed the government to seek explanations from three international rights organisations over a statement on Nepal's judiciary. Rights advocates questioned whether the committee had jurisdiction to make such a demand. The controversy raised concerns about civic space and the treatment of external scrutiny. It also reflected heightened political sensitivity around judicial independence. The government's response will indicate how it approaches criticism from international civil-society organisations.

August 6 ([Kathmandu Post](#)) Constitutional commissions for marginalised groups remain weak

A review found that seven constitutional commissions created for marginalised communities were struggling with low budgets and limited state cooperation. Their recommendations were frequently ignored by implementing agencies. The weakness affects institutional protection for Madheshis, Dalits, indigenous nationalities, women and other groups. The problem exposes the gap between Nepal's inclusive constitutional framework and administrative practice. Strengthening these bodies will be important for the legitimacy of the federal system

August 12 ([Kathmandu Post](#)) Supreme Court questions online-only tender-notice rule

Nepal's Supreme Court asked the government to explain an amendment requiring public tender notices to be posted only on official websites. The change removed the earlier practice of publishing such notices in newspapers. Petitioners argued that the measure could affect transparency, access to information and the media economy. The case places procurement reform under constitutional and judicial scrutiny. Its outcome may shape how Nepal balances digital administration with broad public access.

August 14 ([Kathmandu Post](#)) Police chief–lawmaker clash raises questions over parliamentary conduct

A heated exchange between a ruling-party lawmaker and Nepal Police chief Dan Bahadur Karki prompted concern over parliamentary decorum. The dispute arose during scrutiny of alleged irregularities in uniforms procured for election police. Speaker Dol Prasad Aryal sought details from both the committee leadership and the police chief. The episode showed the tension between robust legislative oversight and respect for public institutions. It also kept corruption and accountability in security procurement on the political agenda.

August 22 ([Kathmandu Post](#)) Election Commission studies out-of-country and inter-district voting

Nepal's Election Commission began studying legal and technical options for allowing citizens to vote from outside their home districts and from abroad. Home Minister Sudan Gurung promised government support for the necessary legal reforms and technology. The initiative responds to the mobility of Nepal's workforce and the large number of citizens living overseas. Implementing remote voting will require reliable voter identification, secure systems and political consensus. If completed, the reform could substantially widen participation in future election

FOREIGN AFFAIRS

August 3 ([Kathmandu Post](#)) Foreign-policy debate questions symbolism without substance

A prominent foreign-policy commentary argued that Nepal's external engagement remains heavy on slogans and light on delivery. It questioned whether expensive trans-Himalayan connectivity could be viable without access to the Indian market. The analysis urged Kathmandu to assess Chinese and Indian initiatives through economic feasibility rather than political signalling. It also cautioned against presenting geography alone as a development strategy. The debate reflects continuing concern over Nepal's ability to convert strategic location into national advantage.

August 7 ([Nepal News](#)) Foreign minister emphasises economic diplomacy and regional connectivity

Foreign Minister Shisir Khanal called for Nepal to use economic diplomacy more actively. He presented the country as a potential conduit between China and South Asia rather than merely a landlocked state. The minister stressed that regional integration must produce tangible benefits for citizens. His remarks linked diplomacy with trade, investment and connectivity. Translating the vision into results will depend on viable projects and cooperation from both neighbours.

August 15 ([Kathmandu Post](#)) Key ambassadorial vacancies narrow Nepal's diplomatic reach

Prolonged ambassadorial vacancies weakened Nepal's representation in several strategically important capitals. Posts linked to the United States, China and India were among those affected. The gaps reduced Kathmandu's ability to sustain high-level engagement and pursue economic diplomacy. They also exposed delays in political appointments and foreign-policy coordination. Filling the positions is necessary if Nepal wants its external outreach to match its stated priorities.

August 18 ([myRepublica](#)) Indian Army chief concludes Nepal visit

Indian Army Chief General Dhiraj Seth concluded a visit to Nepal centred on the longstanding defence partnership. He met Prime Minister Balendra Shah and interacted with the Nepali Army's Command and Staff College at Shivapuri. Discussions covered military education, institutional exchanges and broader bilateral cooperation. The visit reinforced the unusual tradition of close ties between the two armies. It also demonstrated continuity in India–Nepal relations amid Kathmandu's wider diplomatic balancing.

August 23 ([Kathmandu Post](#)) Nepal–China ties at 71: calls to move from symbolism to delivery

Debate surrounding the seventy-first anniversary of Nepal–China relations focused on converting political goodwill into workable projects. Analysts argued that Nepal must pursue a mature balance between China and India while protecting strategic autonomy. Connectivity promises remain constrained by geography, cost and implementation delays. Kathmandu also needs clearer priorities for trade, investment and infrastructure cooperation. The discussion underlined that symbolism alone cannot produce economic gains.

ECONOMY AND INFRASTRUCTURE

August 4 ([Kathmandu Post](#)) Provinces leave billions in development budgets unspent

Nepal's provinces again struggled to spend their capital budgets despite large infrastructure needs. Political uncertainty, elections and administrative disruption slowed implementation. Gandaki and Koshi spent only part of their allocated development funds. Persistent underspending limits the developmental promise of federalism and delays local projects. Better planning, procurement capacity and continuity are needed to convert allocations into public assets.

August 18 ([Kathmandu Post](#)) Special judicial mechanism considered for infrastructure disputes

Nepal considered special judicial benches or a tribunal to handle disputes delaying large infrastructure projects. Existing projects often face years of litigation over contracts, land, compensation and procurement. The government believes specialised adjudication could shorten delays and reduce cost escalation. Any new mechanism must still preserve judicial independence and due process. The proposal reflects growing pressure to improve Nepal's poor record of project execution.

August 20 ([Kathmandu Post](#)) IMF says Nepal has stronger buffers but needs jobs and investment

The IMF's Nepal mission chief said the economy had become more stable after several years of shocks. Stronger buffers and institutions improved macroeconomic resilience. The next challenge is to mobilise private investment and create employment at home. Inclusive growth remains essential because many Nepalis continue to depend on migration and remittances. Reform momentum will therefore be judged by improvements in productivity and opportunity, not stability alone.

August 22 ([Kathmandu Post](#)) Japan funds new air-traffic-control tower at Kathmandu airport

Japan agreed to provide a Rs2.73 billion grant for a new air-traffic-control tower at Tribhuvan International Airport. The project includes a nine-storey tower and upgraded air-traffic-management systems. It is intended to improve safety and operational efficiency at Nepal's busiest aviation gateway. The assistance also highlights Japan's continuing role in Nepal's

infrastructure modernisation. Timely implementation will be important given the airport's congestion and safety requirements.

August 23 ([Kathmandu Post](#)) India's electricity demand offers Nepal a major export market

Nepal's growing hydropower output is finding an important market in India and, through regional arrangements, Bangladesh. Electricity exports earned Nepal Rs29.32 billion in the last fiscal year. Installed generation capacity has reached about 4,200 MW against peak domestic demand of roughly 2,000–2,200 MW. Analysts nevertheless warned against excessive dependence on a single market. Nepal will need transmission investment, diversified buyers and competitive project costs to sustain export growth.

DEFENCE UPDATES

August 5 ([Kathmandu Post](#)) Army patrols support restoration of order in Madhesh

Nepali Army patrols were deployed after communal violence in Sunsari overwhelmed local security arrangements. Their presence supported curfew enforcement and helped stabilise the affected area. The deployment illustrated the army's recurring role in aid to civil authority during major domestic emergencies. It also raised the importance of clear coordination with police, Armed Police Force and district administrators. A credible review should identify when and how military support is requested in such crises.

August 5 ([Kathmandu Post](#)) Defence allocation rises as intelligence budget is cut

Reporting on Nepal's intelligence failures noted that defence allocations increased while operational funds for the civilian intelligence service were cut. Officials said field information-gathering resources had fallen sharply. The imbalance reopened debate over how Nepal distributes resources across defence, police and intelligence institutions. Effective national security requires these bodies to work as a system rather than in isolation. Budget choices will therefore affect early warning as much as conventional capability.

August 9 ([Kathmandu Post](#)) Security modernisation prioritises non-lethal crowd control

Nepal's post-protest security review produced a plan for modern riot-control equipment and revised operating methods. The reform aims to reduce reliance on firearms during civil disorder. It also recognises that equipment alone cannot compensate for poor leadership, training or

intelligence. Clear rules of engagement and accountability will be central to implementation. The changes matter for internal security and civil-military confidence after the deadly 2025 unrest.

August 16 ([myRepublica](#)) Indian Army chief begins Nepal visit under honorary-general tradition

Indian Army Chief General Dhiraj Seth began an official Nepal visit on August 16. The programme formed part of the reciprocal tradition under which the army chiefs receive honorary general rank. The custom symbolises unusually close military relations between the two countries. Talks also carried practical significance for training, interoperability and disaster response. Nepal continues to preserve these ties while maintaining an independent and non-aligned defence posture.

August 18 ([myRepublica](#)) India and Nepal deepen military education cooperation

General Dhiraj Seth's engagement at the Nepali Army Command and Staff College placed military education at the centre of bilateral defence ties. Officers and faculty discussed professional learning and academic cooperation. Such exchanges supplement joint training, disaster response and longstanding regimental connections. They also sustain institutional familiarity during periods of political change. The visit reinforced defence cooperation as one of the most stable pillars of India–Nepal relations.

BORDER UPDATES

August 6 ([Kathmandu Post](#)) Trade deficit highlights economic importance of Nepal's borders

Economic analysis estimated that trade deficits with India and China account for a dominant share of Nepal's overall imbalance. The figure illustrates how border connectivity and market access shape national economic security. Political mandates alone cannot correct structural dependence on imports. Nepal must improve production, exports and logistics while avoiding abrupt policy shifts. Border infrastructure should therefore be treated as an economic reform priority, not only a diplomatic issue.

August 12 ([myRepublica](#)) Nepal and India launch study on recurring border floods

Nepal and India launched a joint technical effort to address recurring floods and inundation along their shared border. The study covers vulnerable areas from Banke to Sarlahi. Communities on both sides face repeated damage from embankments, drainage constraints and monsoon flows. A durable solution will require shared data, coordinated engineering and timely maintenance. The initiative is a practical test of bilateral cooperation at the local level.

August 20 ([Times of India](#)) Nepal reports loss of original Sugauli Treaty copy

Foreign Minister Shisir Khanal told Parliament that Nepal could not locate the original copy of the 1816 Treaty of Sugauli. The treaty is a foundational document for the modern boundary with India. Its absence raised questions about archival management and historical evidence. The development is politically sensitive because Nepal and India retain disputes over Kalapani, Lipulekh and Limpiyadhura. Digital preservation and joint diplomatic engagement will be essential to prevent archival weakness from fuelling mistrust.

August 22 ([Kathmandu Post](#)) Monsoon damage repeatedly disrupts Nepal–China trade routes

Landslides and unfinished roads again disrupted Nepal's northern trade corridors with China. The Tatopani route was closed by damage along the Tatopani–Bahrabise section. Repeated interruptions raise freight costs and restrict Nepal's already limited exports to China. The problem exposes the gap between trans-Himalayan connectivity ambitions and infrastructure resilience. Nepal needs all-weather access, maintenance capacity and alternative routing to reduce vulnerability.

BHUTAN

INTERNAL AFFAIRS

August 22 ([The Bhutanese](#)) Opposition candidate wins Speaker election in surprise result

Opposition Bhutan Tendrel Party candidate Tempa Dorji won the National Assembly Speaker election by 24 votes to 23. The ruling People's Democratic Party held 31 seats, indicating that eight of its lawmakers crossed the party line in the secret ballot. The result exposed tensions between the cabinet and sections of the ruling parliamentary party. It also demonstrated the independence made possible by a secret vote. The new Speaker may bring stronger legislative scrutiny to the government's programme.

August 22 ([The Bhutanese](#)) Prime minister calls Speaker result a democratic triumph and party failure

Prime Minister Tshering Tobgay said the Speaker election represented both a triumph for democracy and a serious failure for his party. He respected the outcome but criticised lawmakers who did not honour the PDP's collective decision. The remarks acknowledged internal disunity without challenging the legitimacy of the vote. The episode may force the ruling party to improve consultation with its MPs. It also strengthens the perception that Bhutan's Parliament is becoming less predictable and more assertive.

FOREIGN AFFAIRS

August 7 ([Kuensel](#)) Australia reiterates support for education and infrastructure

Australia reaffirmed its commitment to education and infrastructure cooperation with Bhutan. The relationship is increasingly important because Australia is also a major destination for Bhutanese students and professionals. Development support can help address skills gaps and institutional capacity. At the same time, large-scale migration has created workforce pressures inside Bhutan. Bilateral engagement will therefore need to connect education opportunities with Bhutan's domestic development needs.

August 11 ([The Bhutanese](#)) International tourism recovery broadens Bhutan's external engagement

Bhutan recorded a strong tourism recovery in the first seven months of 2026, led by regional visitors. Indian travellers remained the largest group and Phuentsholing the busiest entry point in July. Tourism therefore continues to shape Bhutan's external economic relations and border management. New tour-operator registrations indicate renewed private-sector confidence. The challenge is to balance visitor growth with Bhutan's high-value, low-volume policy.

August 15 ([The Bhutanese](#)) Bhutanese recipients advance through Indian education support

Bhutanese students received 2026 scholarships under the Indian Council for Cultural Relations programme. The scheme covers major education costs and provides monthly support subject to academic performance. Education remains a durable pillar of Bhutan–India people-to-people relations. Alumni networks can strengthen professional and institutional links over the long term. The programme also complements defence, hydropower and connectivity cooperation.

August 18 ([The Bhutanese](#)) Japanese royal visit reinforces Bhutan–Japan friendship

Princess Akiko of Mikasa received an audience with Bhutan's King and Queen during her visit. The engagement added a high-level cultural dimension to Bhutan–Japan relations. Japan is an important development partner in agriculture, infrastructure and human-resource cooperation. Royal and people-to-people exchanges help sustain the relationship beyond official aid. The visit also supports Bhutan's effort to diversify international partnerships while preserving a selective diplomatic profile.

August 22 ([Kuensel](#)) Bhutan–India partnership framed around future connectivity

Bhutanese coverage revisited the expanding Bhutan–India partnership and its emphasis on connectivity. Cooperation increasingly includes energy, transport links, digital infrastructure and the Gelephu development vision. The relationship remains Bhutan's most important economic and strategic partnership. Both sides are seeking to translate exceptional political trust into projects with visible public benefits. Implementation speed and environmental safeguards will determine how the new agenda is received.

DEFENCE UPDATES

August 5 ([Kuensel](#)) Gelephu air-traffic talks carry strategic connectivity dimension

Bhutan and India continued discussions over air-traffic arrangements for Gelephu International Airport. The airport is a civilian development project but also affects national resilience, emergency access and regional connectivity. Safe air corridors require close technical coordination with India. The project could diversify Bhutan's access beyond Paro and southern land gateways. Its strategic value will grow as Gelephu Mindfulness City develops.

August 12 ([Japan Times](#)) India warns China that border incidents affect wider relations

India warned that serious incidents along its disputed border with China would affect the wider bilateral relationship. The statement matters for Bhutan because Doklam and the tri-junction remain tied to the India–China security equation. Any renewed tension could place diplomatic and operational pressure on Thimphu. Bhutan continues to pursue boundary negotiations with China while maintaining close security ties with India. Careful coordination and situational awareness remain essential.

August 14 ([Times of India](#)) West Bengal fast-tracks rail acquisition near Doklam approaches

West Bengal moved to accelerate land acquisition for a railway project extending toward the Doklam region. The planned Chalsa–Naxak section would improve access near the India–China–Bhutan tri-junction. Although presented as connectivity infrastructure, the route also has clear logistical and strategic value. The project could improve movement of personnel and supplies in a sensitive area. Environmental clearance and coordination with local communities will affect the timetable.

August 22 ([Economic Times](#)) India creates security grid around Siliguri Corridor

India announced a triangular security grid for the strategically important Siliguri Corridor. The narrow corridor lies close to Nepal, Bhutan and Bangladesh and connects mainland India with the Northeast. Enhanced surveillance and coordination have direct implications for Bhutan's southern approaches and regional security environment. The measure reflects continuing concern over the corridor's vulnerability. Close India–Bhutan communication will be important to avoid disruption to legitimate cross-border movement.

BORDER UPDATES

August 8 ([The Bhutanese](#)) Third international internet gateway advances

Bhutan's regulator clarified its position on the proposed third international internet gateway. Additional cross-border connectivity can improve redundancy and reduce dependence on existing routes. Digital resilience is increasingly important for government, finance and emergency communications. The gateway will require licensing, cybersecurity standards and coordination with external network providers. It is therefore both an infrastructure project and a component of border-linked national resilience.

August 11 ([The Bhutanese](#)) Phuentsholing remains Bhutan's busiest tourism gateway

Phuentsholing handled 4,295 tourist arrivals in July, the highest among Bhutan's entry points. Paro, Samtse, Gelephu and Samdrup Jongkhar followed. Indian visitors formed the largest national group, illustrating the importance of the open and accessible southern border. Efficient immigration, transport and security arrangements are therefore central to tourism recovery. Gateway capacity must expand without weakening Bhutan's visitor-management policies.

August 11 ([The Bhutanese](#)) Industrial road repair strengthens Samdrup Jongkhar border logistics

Repair of the road serving Phuntsho Rabtenling Industrial Park will improve logistics in the eastern border district of Samdrup Jongkhar. Firms had faced delays and higher costs because of deteriorated access. The route connects local industrial activity with markets and transport networks across the India border. Better roads can support legal trade and reduce incentives for informal movement. Maintenance arrangements should be built into the project from the outset.

August 14 ([Times of India](#)) Rail plan advances toward Bhutan–China–India tri-junction area

The Chalsa–Naxak rail project moved forward with faster land-acquisition planning. Its alignment improves Indian access toward the sensitive Doklam approaches. Better rail logistics could support both civilian development and emergency mobilisation. The route's proximity to protected landscapes will require environmental safeguards. For Bhutan, the project adds another major infrastructure change near its western and southern border space.

August 22 ([Economic Times](#)) Siliguri Corridor security grid reshapes nearby border environment

India's new security grid covers a corridor bordering Nepal, Bhutan and Bangladesh. Increased surveillance may improve detection of smuggling and other cross-border threats. It may also affect traffic flows and procedures at nearby gateways. Bhutan will need coordination mechanisms that preserve efficient trade and tourism. The development shows the growing strategic importance of the eastern Himalayan border belt.



About the Author

Dhanapriya Devi Chungkham is currently serving as a Research Assistant at the Centre for Land Warfare Studies (CLAWS), New Delhi. She completed her PhD from Centre of Indo-Pacific Studies, School of International Studies (JNU). Her research focuses primarily on security and strategic studies of India's eastern frontier, with particular interest in the Act East Policy, India-Myanmar relations, borderland dynamics, Northeast India and the evolving geopolitical landscape of Southeast Asia and the Indo-Pacific. She specialises in fieldwork-based research and qualitative methodologies.

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