

# International Development Aid in Decline: Implications for Nepal

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## Abstract

This article examines the evolving global development aid landscape and its implications for Nepal at a time when multilateral cooperation is increasingly constrained by geopolitical competition and shifting donor priorities. It argues that the apparent decline of traditional development aid reflects not its irrelevance, but the need for a fundamental redesign of the development cooperation architecture. Drawing on global trends, recent donor behavior, and Nepal's aid experience, the paper advocates a transition toward greater country ownership, alignment with national systems, donor harmonization, and results orientation, complemented by stronger integration of trade, investment, and alternative financing instruments to support Nepal's sustainable development trajectory. This article examines the evolving international development aid landscape through the lens of Nepal, analyses the drivers behind the apparent decline in traditional aid, and assesses its implications for Nepal's development trajectory and policy choices.

*Keywords:* development aid, economy, resource, grant, loan, assistance

## Introduction

The post-war international development aid architecture built around the Bretton Woods institutions—the World Bank and the International Monetary Fund—is facing growing challenges as the global aid landscape shifts with the rise of new powers such as the BRICS and more predominantly, China itself, the emergence of alternative financing initiatives, including China's Belt and Road Initiative, and the United States' recent retrenchment from multilateral development engagement. For aid-dependent countries like Nepal, these changes are not merely systemic but have direct implications for development financing, policy autonomy, and long-term economic resilience.

International development aid, popularly known as 'foreign aid', refers to the provision of financial resources, technical assistance, and concessional financing by bilateral donors and multilateral institutions to support economic development and social welfare

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in developing countries. Official Development Assistance (ODA)—comprising grants, concessional loans, and technical cooperation—has historically formed the backbone of Nepal’s development financing. Since the 1950s, foreign aid has played a central role in Nepal’s infrastructure development, social sector expansion, post-conflict reconstruction, and disaster recovery, often financing a significant share of the national development budget (Ministry of Finance, 2025).

The origins of Nepal’s aid dependence lie in the post-World War II development order and the country’s late integration into the global economy. Over time, aid flows intensified under global development frameworks such as the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs), reinforcing Nepal’s reliance on concessional external resources to supplement limited domestic savings and revenue mobilization (ActionAid Nepal, 2023). While aid has contributed to notable gains in poverty reduction, health, and education, it has also exposed Nepal to vulnerabilities arising from donor priorities, implementation delays, and absorptive capacity constraints.

In recent years, traditional development aid to Nepal has shown signs of relative decline and qualitative shift. Although aggregate aid commitments have fluctuated, the share of grants has diminished in favor of loans, increasing Nepal’s exposure to debt-financed development (MoF, 2025). Globally, real-term ODA to developing countries has stagnated since 2021, while major donors have redirected resources towards domestic priorities, security spending, and short-term crisis response. These trends have reduced the predictability and concessionality of aid flows to countries such as Nepal.

At the same time, Nepal’s development cooperation landscape includes significant engagement with neighboring partners, particularly India and China, reflecting historical ties and evolving strategic interests. Both countries have long provided development assistance and technical cooperation that complement traditional Western donors. India has been one of Nepal’s largest bilateral development partners, investing in infrastructure, education, health, and community development programs—ranging from roads and irrigation projects to nearly 550 “High Impact Community Development Projects,” ambulances, school buses, and institutional support for education and policing systems—demonstrating a broad, grant-oriented development footprint (The Tribune, July 29, 2024).

Similarly, China has steadily increased its development assistance to Nepal through economic and technical cooperation programs focusing on infrastructure, human resources, health, and connectivity projects. Chinese assistance has been delivered in the form of grants, interest-free loans, and concessional financing under bilateral frameworks, contributing to road upgrades, power transmission lines, and institutional

investments. Nepal's Ministry of Finance data show that over the 2016–21 period, China disbursed significant development funding—important evidence of its emerging role as a partner rather than merely a geopolitical actor (MoFA, 2025).

While India and China differ in scale, focus, and geographic reach, both continue to shape Nepal's development financing environment. India's historical predominance—especially when measured by aid as a share of GDP—remains a foundational element of Nepal's external support, and cooperation commitments of both countries reflect a broader regional engagement that extends beyond aid to include trade, investment, and strategic connectivity.

For Nepal, the implications of a declining and transforming aid landscape are significant. As the country prepares to graduate from Least Developed Country (LDC) status, reduced access to concessional financing and grant-based assistance could constrain fiscal space, slow progress towards the SDGs, and heighten macroeconomic risks. Navigating this transition requires a recalibration of Nepal's development financing strategy—strengthening domestic resource mobilization, improving aid effectiveness and absorption, diversifying partnerships, optimizing on the alternate and innovative financing instruments such as through development bonds and debentures, equity funds and investment funds, guarantee instruments, special loans and long-term capital mobilization, crowd-funding and diverse financing sources, and other financial assets as well as ensuring prudent debt management. (MoF, 2025; Ujyaalo Nepal, 2025).

### **Dynamics of Development Aid: Origins, Purposes, and Contradictions**

Development aid is commonly understood as the transfer of financial resources, technical expertise, goods, and services from developed countries and multilateral institutions to developing countries with the stated objective of promoting economic development, poverty reduction, and social welfare. In institutional terms, development aid is most often operationalized through ODA, as defined by the Organization for Economic Co-operation and Development (OECD): concessional flows administered by official agencies with the primary purpose of promoting development and welfare in recipient countries. While ODA remains the dominant analytical category, the contemporary aid landscape has expanded to include humanitarian assistance, climate finance, South–South cooperation, philanthropic flows, and blended public–private financing, blurring the boundaries between aid, investment, and geopolitics (Gyawali, 1993).

### **Genesis and Historical Evolution**

The genesis of modern development aid lies in the geopolitical and economic reconstruction imperatives that followed the Second World War. The creation of the

International Monetary Fund (IMF) and the World Bank, officially termed in origin as the International Bank for Reconstruction and Development (IBRD) at the Bretton Woods Conference in 1944, institutionalized a rules-based system of monetary stability and development finance. Initially designed to rebuild war-ravaged Europe, later supplemented, though institutionally separate, by what was named the Marshall Plan (1948-51), these institutions soon redirected their focus towards newly decolonized countries in Asia, Africa, and Latin America. Aid thus became a central instrument for integrating developing economies into the post-war liberal international order (Council on Foreign Relations, 2025).

During the Cold War, development aid evolved into a strategic tool of ideological competition. Both Western and socialist blocs used aid to secure political allegiance, military access, and diplomatic support, often prioritizing geopolitical considerations over developmental outcomes. Bilateral aid flows expanded rapidly, while multilateral institutions consolidated their role in financing infrastructure, balance-of-payments support, and structural reforms. The 1960s and 1970s witnessed the formalization of development assistance norms, including the United Nations' call for donor countries to allocate 0.7 per cent of their gross national income to ODA—a target that remains largely unmet (OECD, 2025).

The post–Cold War period marked a significant reorientation in development aid. With the decline of ideological rivalry, donors increasingly emphasized governance reforms, market liberalization, and institutional capacity building. Structural adjustment programs promoted by the World Bank and IMF in the 1980s and 1990s tied aid to policy conditionalities aimed at fiscal discipline, privatization, and trade liberalization. While these reforms were intended to enhance efficiency and growth, they often generated social costs and domestic resistance in recipient countries, including Nepal, where adjustment policies reshaped state capacity and development planning (Easterly, 2006).

The adoption of the MDGs in 2000 and later SDGs in 2015 broadened the normative scope of development aid (UNDP, 2016). Aid was increasingly framed around poverty reduction, human development, gender equality, and environmental sustainability. This period saw a rise in sector-wide approaches, budgetary support often called 'basket funding', and results-based financing, alongside a growing emphasis on aid effectiveness, ownership, and alignment with national development strategies.

### **Types and Modalities of Development Aid**

Development aid manifests in multiple forms, each with distinct implications for recipient countries.

**Grant:** It constitutes the most concessional form of aid and is particularly significant for least developed countries. It is commonly used to finance social sectors such as health, education, and social protection, where direct revenue generation is limited. For Nepal, grants have historically supported primary education expansion, maternal and child health programs, and post-disaster reconstruction (MoF, 2025).

**Concessional loan:** It represents another major modality, typically offered by multilateral development banks at below-market interest rates with long repayment periods. While such loans enable large-scale investments in infrastructure and energy, they also contribute to public debt accumulation. In Nepal's case, concessional loans have financed hydropower, transport, and urban development projects, raising questions about debt sustainability as the share of loan-based assistance increases (MoF, 2025).

**Technical assistance:** It focuses on capacity development, policy advice, and institutional strengthening. This form of aid often accompanies financial flows, popularly termed as 'piggybacking' or Project Preparatory Technical Assistance (PPTA), and plays a significant role in shaping governance practices and policy frameworks. While technical assistance can enhance administrative capacity, critics argue that it may undermine local ownership and perpetuate dependence on external expertise. Nepal's foreign aid policy does not encourage the 'stand-alone' TA that is not backed by the investment projects, nor does it support the TAs fragmented into insignificant smaller monetary values (MoF, 2025).

**Humanitarian aid,** distinct from long-term development assistance, responds to emergencies arising from natural disasters, conflicts, or health crises. Nepal's experience following the 2015 earthquake illustrates the critical role of humanitarian assistance, while also highlighting challenges related to coordination, absorption, and transition from relief to recovery (MoF, 2025).

### **Manifest and Latent Objectives of Development Aid**

At the level of official discourse, the manifest objectives of development aid are explicit and normative: poverty reduction, economic growth, social inclusion, and sustainable development. These objectives are reflected in global commitments such as the SDGs and in donor policy frameworks that emphasize aid effectiveness, local ownership, and results orientation. Empirically, development aid has contributed to tangible improvements in human development indicators across many recipient countries, including Nepal, particularly in health, education, and poverty reduction.

However, development aid also serves a set of latent objectives that are less openly acknowledged but equally influential. Aid has long functioned as a foreign policy instrument, advancing donors' strategic, economic, and security interests (Panday,

2011). During the Cold War, aid allocations closely mirrored geopolitical alignments. In the contemporary period, aid is increasingly linked to migration management, counterterrorism, climate diplomacy, and strategic competition, particularly in regions of geostrategic importance.

Economic interests also shape aid dynamics. Tied aid, procurement rules, and donor-driven project selection often benefit firms and contractors from donor countries, reinforcing asymmetrical economic relationships. Similarly, emerging donors' development finance—while framed as South–South cooperation—frequently aligns with commercial and strategic objectives, such as securing access to markets, resources, and transit corridors.

In Nepal's context, these latent objectives are evident in the sectoral concentration and geographic targeting of aid, as well as in the growing interest of external actors in infrastructure connectivity, energy resources, and regional stability. Aid thus operates not merely as a developmental instrument but as a site of negotiation between domestic priorities and external interests (Mihaly, 1966). In fact, development aid was never politically neutral; it functioned as both a financial resource and a governing technology that shaped development priorities, policy frameworks, and state–donor relations (Rist, 2007; Kapur, 1997).

### **Changing Dynamics and Contemporary Relevance**

The dynamics of development aid are undergoing a profound transformation. The rise of emerging donors, the proliferation of non-concessional financing, and the securitization of aid have challenged the traditional ODA-centric model. At the same time, declining aid budgets in traditional donor countries and growing emphasis on domestic priorities have reduced the predictability of aid flows.

For countries like Nepal, understanding these dynamics is essential. Development aid is no longer a stable or purely benevolent resource; it is embedded in shifting global power relations and evolving development paradigms. As Nepal navigates a changing aid environment—marked by declining grants, increasing loans, and diversified partners—the ability to critically engage with the dynamics of development aid will shape both development outcomes and policy autonomy (Panday, 1999).

### **Decline in Development Aid: From Multilateralism to Multipolar Competition**

The recent decline in international development aid is not a sudden or isolated phenomenon. Rather, it reflects bigger structural changes in global politics, economics, and institutional cooperation. What is unfolding is not merely a reduction in aid volumes but a reordering of priorities, where development assistance is increasingly subordinated to national security, economic resilience, and strategic autonomy.

## Global Factors behind the Decline

At the global level, several interrelated trends are reshaping development aid. First, traditional donor countries are facing mounting domestic pressures—ranging from inflation, ageing populations, migration, and rising defense expenditures. As a result, development budgets are increasingly diverted toward domestic spending and geopolitical crises, leaving fewer resources for long-term development cooperation.

Second, the multilateral institutions that historically anchored development aid are under strain. Trade disputes, geopolitical rivalries, and weakening consensus have reduced the effectiveness of institutions such as the World Trade Organization, UN agencies, and multilateral development banks. This erosion of multilateralism directly affects aid flows, which rely heavily on shared norms, collective problem-solving, and predictable rules. As recent analyses in *Foreign Affairs* and *Foreign Policy* suggest, multipolar competition is increasingly replacing multilateral cooperation as the organizing principle of the emerging global order (Stubb, 2025; Tooze, 2025).

The weakening of multilateral institutions—particularly the United Nations—is not a recent phenomenon. From its inception in the postwar period, the so-called “great powers,” which later polarized the world along Cold War ideological lines, showed limited enthusiasm for genuinely strengthening the organization. Nepal’s eminent statesman and the then Prime Minister, B. P. Koirala, incisively captured this predicament in his address to the 15th Session of the United Nations General Assembly on 29 September 1960. Reflecting on great-power rivalry, he noted that “the authors of the Charter had hoped that the Great Powers would continue to move ahead and strengthen the United Nations with a sufficient measure of unanimity,” yet this hope was repeatedly frustrated as “serious deadlocks have arisen between the contending power blocs on many international issues of peace and security.” Emphasizing the agency of smaller states, Koirala argued that “mere negative reactions to the Cold War strategy of the big powers are not enough,” urging instead a “positive and constructive response to each political and economic question of the world.” He stressed that “the main function of the United Nations at the present moment is the creation, or re-creation of a climate of confidence and trust,” concluding that durable peace and prosperity ultimately depend on “strengthening and extending the authority of the United Nations,” an authority that can endure only if its decisions are “respected faithfully and loyally by all powers, big and small” (Koirala, 1982).

This predicament has been succinctly articulated by Mark Carney, former Governor of the Bank of England and now Prime Minister of Canada, in his speech at the World Economic Forum in Davos in January 2026. Carney warned that “the multilateral institutions on which the middle powers have relied—the WTO, the UN, the COP, the

very architecture of collective problem-solving—are under threat.” As these institutions weaken, countries are increasingly concluding that they must rely more on themselves than on global systems. Carney further noted that many states are now prioritizing strategic autonomy in energy, food, finance, and supply chains, arguing that “a country that cannot feed itself, fuel itself or defend itself has few options” (Carney, 2026). This shift toward self-protection and national resilience helps explain why development aid—traditionally rooted in cooperation and shared responsibility—is losing political priority in many donor capitals.

### **Retreat of Major Donors and Institutional Pullbacks**

The changing posture of the US illustrates this broader trend. The recent termination of USAID operations and the US withdrawal from or reduced engagement with several international organizations—including UN agencies and global frameworks linked to the SDGs—signals a clear retrenchment from multilateral development partnerships. While humanitarian assistance continues selectively, long-term development cooperation has been deprioritized in favor of strategic, transactional engagement. European donors, though more committed to multilateralism, are also reallocating aid toward security-related spending, refugee management, and climate adaptation within their immediate neighborhoods (Focus 2030, 2026). As a result, real-term ODA to developing countries has stagnated or declined, particularly for low-income and aid-dependent economies.

### **Regional and South–South Shifts**

The emerging donors and South–South cooperation mechanisms have altered the aid ecosystem. Countries such as China, India, and Gulf states increasingly provide development finance through infrastructure investment, credit lines operating through Export-Import (Exim) Banks, and project-based lending, rather than traditional grant-based aid (Development Aid, 2026). While these flows expand options for recipient countries, they are often tied to commercial, strategic, or geopolitical objectives and lack the concessionality of traditional ODA. This shift further reinforces the global movement away from aid as a solidarity-driven instrument toward finance as a tool of strategic influence.

### **Nepal’s Position in the Changing Aid Landscape**

For Nepal, these global and regional shifts have tangible consequences. As a small, aid-dependent economy, Nepal has historically benefited from a rules-based multilateral system that provided predictable concessional finance and grants. The weakening of that system—highlighted by Carney’s warning and also elucidated by Stubb and Tooze in their critical reviews of the recent global ‘disorder’—means that Nepal can no longer

assume continuity in aid flows. The declining share of grants, increased reliance on loans, and reduced predictability of disbursements reflect Nepal's exposure to these global trends. Moreover, as Nepal approaches LDC graduation on 24 November 2026, and also embarks on becoming an Upper-Middle Income Country by 2030 and a High-Income country by 2043 (NPC, 2019; NPC, 2024; Shakya, 2025), it faces diminishing access to concessional resources at precisely the moment when traditional donors are retrenching, and multilateral cooperation is under stress. In this context, Nepal's development challenge is no longer simply about mobilizing more aid, but about adapting to a world where aid is scarcer, more strategic, and less generous. The implications of this shift—and the strategies Nepal must adopt to cope with it—are examined in the following section.

### **Implications for Nepal and Coping Strategies**

The ongoing shift in global development aid—marked by declining concessional grants, increased reliance on loans, and changing donor priorities—has important implications for Nepal's development financing and policy choices. For a country with a long history of aid dependence, these changes necessitate a careful reassessment of financing strategies and a calibrated transition toward more sustainable and diversified sources of development finance.

### **Nepal's Aid-Dependency Status: Trends and Evidence**

Despite gradual improvements in domestic revenue mobilization, foreign aid continues to play a meaningful role in Nepal's development financing. According to recent Economic Survey data, Nepal received approximately NPR 137 billion in foreign aid in FY 2024/25, equivalent to about 2.4 per cent of GDP. Notably, over 80 per cent of this assistance came in the form of loans, while grants accounted for less than one-fifth. This represents a significant shift from earlier decades, when grants constituted a larger share of external assistance. Mid-year data for FY 2024/25 further indicate a decline in aid disbursement, with total foreign aid receipts falling by nearly 14 per cent compared to the same period in the previous fiscal year. Findings from the DCR 2025 also show that ODA to Nepal has declined steadily as a share of GDP over the past decade, falling from levels above five per cent to below four per cent in recent years. These trends confirm that while Nepal is less aid-dependent than in the past, aid remains an important—though increasingly constrained—component of development finance (MoF, 2025b).

Equally important is the changing composition of aid. The growing dominance of loans over grants raises concerns about future debt servicing obligations, especially when loan-financed projects do not generate sufficient economic returns. This

shift underscores the need for stronger project selection, implementation, and debt management (Khanal, 2023).

### **Policy Response: Government Strategies for Adjustment**

The Government of Nepal has recognized these evolving realities in its Foreign Aid Mobilization Policy 2025, which explicitly acknowledges that concessional financing and grants are likely to decline as Nepal approaches graduation from LDC status (MoF, 2025b). The policy signals a shift from volume-driven aid mobilization to a more strategic, selective, and results-oriented approach.

Key policy priorities include aligning foreign aid with national development priorities, strengthening coordination among federal, provincial, and local governments, improving aid effectiveness, and enhancing transparency and accountability. The policy also emphasizes leveraging foreign aid to catalyze private investment, promoting blended finance instruments, and maximizing access to climate finance and other emerging funding windows. The DCR (2025) reinforces these priorities by highlighting the need to improve aid absorption capacity and reduce implementation delays that have historically constrained effective utilization (MoF, 2025b).

### **Implications for Fiscal Space and Development Outcomes**

The decline in grant-based assistance has direct fiscal implications for Nepal. Reduced concessional support limits budgetary flexibility and increases reliance on borrowing, even for social sectors that yield primarily social rather than financial returns. This shift risks constraining expenditure on health, education, and social protection, areas that have traditionally benefited from external grants and technical assistance. At the same time, declining aid predictability complicates medium-term planning and weakens coordination across levels of government in Nepal's federal system. Persistent challenges related to project readiness, procurement delays, and institutional capacity further amplify these risks, potentially reducing Nepal's ability to attract and effectively use available external resources. Likewise, Nepal's impending LDC graduation adds another layer of complexity. While graduation reflects development progress, it will likely reduce access to concessional financing, trade preferences, and grant-based support, intensifying the need for alternative financing and stronger domestic economic foundations.

### **Recommendations: A Blended Roadmap for Coping and Transition**

Responding effectively to these challenges requires a blended and forward-looking strategy that reduces reliance on traditional aid while strengthening domestic and external economic linkages. Below are a few such strategic initiatives that need immediate, intermediate, and long-term attention by the policymakers:

First, Nepal must continue to strengthen domestic resource mobilization by broadening the tax base, improving compliance, rationalizing exemptions, and enhancing public financial management. Increased domestic revenue is essential for sustaining development spending in an era of declining aid.

Second, a stronger focus on trade, investment, and export-led growth is critical. Promoting sectors with comparative advantage—such as hydropower, agro-processing, tourism, and selected manufacturing—can generate foreign exchange, attract foreign direct investment, and gradually reduce dependence on external assistance. Aligning trade policy with industrial and infrastructure strategies is central to this transition.

Third, Nepal should optimize alternative financing instruments, including blended finance, climate finance, and public–private partnerships, as encouraged by the Foreign Aid Mobilization Policy 2025. Well-structured use of concessional aid to de-risk private investment can multiply development impact without exacerbating debt vulnerabilities.

Fourth, strengthening project preparation and implementation capacity is essential. Improving feasibility analysis, procurement efficiency, and inter-agency coordination will enhance aid absorption, reduce delays, and improve returns on both aid and loan-financed projects.

Fifth, the aid should reach down to the grassroots level to benefit the needy recipients most in today’s federal context of Nepal (Shrestha, 2023). It has often been observed that the dividends of aid have not been equitably distributed among recipients, benefiting urban and rural elites more than disadvantaged and marginalized groups, despite contrary commitments in government policy pronouncements. This trend should be reversed by undertaking a study to assess the effective utilization of aid.

Finally, Nepal should explore a selective approach to import substitution and export-enhancing industrialization, particularly in energy, agriculture-based industries, and light manufacturing. Reducing import dependence while expanding export capacity can improve the balance of payments and reinforce economic resilience, supporting a gradual shift away from aid dependence.

The emerging challenges and adjustment strategies as stated above frame the broader question of how Nepal can navigate a declining and transforming development aid landscape without undermining development gains—a question that the concluding section addresses by drawing together key findings and policy implications.

## **Conclusion**

International development aid is undergoing a structural transformation rather than a temporary slowdown. The post-war aid architecture anchored in multilateralism,

concessional finance, and donor-driven solidarity is weakening under the combined pressures of geopolitical rivalry, domestic political constraints in donor countries, and the growing emphasis on national strategic autonomy. For countries like Nepal, which have historically relied on development aid to supplement limited domestic resources, this shift marks a critical turning point.

This article has shown that while development aid has played a central role in Nepal's economic and social progress—financing infrastructure, expanding social services, and supporting post-conflict recovery—its nature and availability are changing. Globally, grant-based assistance is declining, aid budgets are increasingly diverted toward security and crisis response, and multilateral institutions that once ensured predictable and rules-based cooperation are under strain. The retreat of major donors, including the United States' disengagement from parts of the multilateral system, and the growing preference for strategic and transactional financing underscore this trend.

For Nepal, the implications are both immediate and long-term. The declining share of grants and the growing dominance of loans increase fiscal pressure and debt risks, particularly in a context of weak project implementation and limited absorptive capacity. As Nepal prepares for graduation from LDC status, reduced access to concessional finance and development support will further constrain policy space. Continued reliance on traditional aid, without adjustment, risks undermining development gains and slowing progress toward achieving the SDGs.

At the same time, this changing aid landscape also presents an opportunity. Nepal is no longer as aid-dependent as it once was, and the gradual decline of aid can catalyze reform. Government initiatives, including the Foreign Aid Mobilization Policy 2025, signal an important shift toward more strategic, selective, and outcome-oriented use of external resources. The emphasis on blended finance, private-sector engagement, climate finance, and improved aid effectiveness reflects a growing recognition that development must increasingly be financed through diversified means.

The way forward lies in a managed transition rather than abrupt disengagement from aid. Strengthening domestic resource mobilization, improving public financial management, and enhancing project readiness are essential first steps. Equally important is a stronger focus on trade, investment, and export-led growth, supported by targeted industrialization, selective import substitution, and improved infrastructure. External financing—whether from traditional donors, emerging partners, or private sources—must be aligned with these national priorities and used to crowd in investment rather than substitute for domestic effort.

Ultimately, Nepal's development challenge in the coming decade will not be defined by how much aid it receives, but by how effectively it adapts to a world where aid is

scarcer, more strategic, and less predictable. Navigating this transition successfully will require policy coherence, institutional capacity, and a clear national vision—one that treats development aid not as a permanent dependency, but as a diminishing yet still valuable tool in a broader development financing strategy. As Poudel & Syring (2025) have aptly remarked, this is the right time for the recipients to view aid differently and redefine it so that the contributions not only from donors but also from recipient countries are also acknowledged and valued while evaluating the distribution and counter-distribution of the total volume and worth of foreign aid more judiciously and rationally.

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