

Doi: <https://doi.org/10.3126/ncwaj.v57i1.93625>

# Development-Oriented Countries' Strategic Diplomacy and the 2030 Goals: A Focus on Nepal

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## Abstract

Strategic diplomacy has become a key part of a country's development path in today's deeply interconnected and complex global society. For developing nations like Nepal, which often face economic, social, and geopolitical hurdles, strategic diplomacy is more than just a foreign policy tool; it is crucial for sustainable growth and protecting national interests. The 2030 Agenda for Sustainable Development, accepted by all United Nations Member States, serves as the global framework guiding toward peace, prosperity, and environmental balance. Aligning diplomatic efforts with these worldwide goals is vital for countries like Nepal to attract resources, forge strategic cooperation, and boost their international profile—especially as the country prepares to graduate from Least Developed Country (LDC) status in 2026. This paper explains the changing nature of development diplomacy in the Global South, highlights Nepal's strategic responses within this framework, and explores the evolving landscape of international aid, the rise of soft power, the importance of regional and global alliances, the pathways toward achieving the Sustainable Development Goals (SDGs) 2030, and tackling climate change.

*Keywords:* development diplomacy, SDGs, strategic diplomacy, Nepal, soft power, LDC Graduation, climate change

## Introduction

If we conceptualise politics as an exercise of power, we have to assume that the relationship between countries is primarily focused on security, territorial integrity, and political alliances. Diplomacy has to be recognized as a way to realize these goals. However, with the decline of colonialism and the rise of the modern nation-state, development emerged as a central theme in international relations. In the post-World

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War II era, the United States and Western European countries used aid and diplomatic efforts to encourage alliances, promote democracy, and exert ideological influences. The Marshall Plan (Department of State, 1948) exemplified how economic aid could serve as a strategic tool to rebuild war-ravaged Europe and prevent the spread of communism. During the Cold War, foreign aid and development assistance became strategic instruments for ideological expansion, with the Soviet Union and the United States vying for influence in Asia, Africa, and Latin America. This period witnessed the parallel emergence of “hard power” (military and economic coercion) and “soft power” (cultural influence, diplomacy, and aid) as complementary tools in international strategy (Melissen, 2005).

This article aims to examine how strategic development supports the pursuits of the 2030 Goals in development-oriented countries, situating Nepal’s experiences within the historical trajectory of aid and diplomacy as an instrument of power. This study adopts a qualitative and descriptive research design to examine development-oriented diplomacy and analyze Nepal’s strategic engagement with the SDGs. It prioritizes understanding policies, trends, and diplomatic practices over hypothesis testing. Using Nepal as a case study, the research explores how a developing country aligns diplomacy with national and global priorities. The study relies exclusively on secondary sources, including academic books, peer-reviewed articles, government policy documents (such as the National Planning Commission’s recent reviews), and reports from international organizations (UN, World Bank).

### **The Shift to Development-Oriented Diplomacy**

The end of the Cold War and the arrival of globalization shifted the paradigm toward a more integrated approach where development, security, human rights, and environmental considerations are interconnected. The 1990s marked the rise of “development diplomacy,” emphasizing mutual benefits, partnership, and long-term strategic interests (Kharel, 2023). Development diplomacy is now recognized as a detailed form of public diplomacy aimed at fostering relationships that serve both the development needs of recipient countries and the strategic interests of donors. It emphasizes a shift from aid as charity to aid as a strategic investment in stability, security, and mutual prosperity. This led to the transformation in the conduct of diplomatic initiatives, as countries began to come together to address their shared concerns. In pursuit of collective aspirations, multilateral institutions like the United Nations, the World Bank, the IMF, and regional development banks have played

significant roles in shaping the new landscape of development diplomacy. They facilitate coordination among donors, set global standards, and promote sustainable development agendas. The 2030 Agenda for Sustainable Development, approved in 2015, exemplifies multilateral cooperation, emphasizing the importance of partnerships (SDG 17) (Riva, 2024). It points out that sustainable development requires collective efforts across nations, sectors, and communities.

### **Traditional Donor Recipient Dynamics**

Historically, aid was characterized by a one-way flow from developed to developing countries, often driven by strategic, political, or humanitarian motives. But the strategic and political motive was more prominent. Donor countries, primarily from the West, provided financial assistance, technical expertise, and infrastructure support, which were often attached to specific policy conditions. Recipient countries, including Nepal, depended heavily on aid for infrastructure, health, education, and social welfare (Azis, 2024). While aid contributed to development, it also led to issues of dependency, limited local ownership, and sometimes misallocation.

In recent decades, emerging economies such as China, India, Brazil, and Russia have expanded their development assistance programs. This phenomenon, termed “South-South Cooperation,” introduces new paradigms of aid characterized by non-interference, mutual benefit, and strategic cooperation. China’s Belt and Road Initiative (BRI), for example, exemplifies infrastructure-led aid that connects recipient countries with Chinese economic corridors. Similarly, India’s development initiatives focus on regional connectivity, capacity building, and cultural diplomacy (Department of Economic Affairs, 2026).

### **Changing Aid Modalities for Donor Agencies**

Over the years, the aid modalities for donor agencies have changed. Traditional aid methods, mainly project-based grants and concessional loans, used to dominate how the donors interacted with developing countries. While these methods helped address immediate development needs, they often had issues such as fragmentation. Limited country ownership and difficulties in achieving long-term sustainability for aid. Donor agencies have diversified and restructured their aid models to improve effectiveness and development impact. New methods focus on program-based support, budget support, results-based financing, merged finance, and partnerships with the private sector and civil society, etc. These changing models aim to better match assistance with national

development strategies, strengthen local institutions, and promote accountability and mutual ownership between donors and recipient countries.

Moreover, donor agencies are adjusting their aid frameworks to tackle new global challenges like climate change, conflict, public health crises, and increasing inequalities. Changes in geopolitical dynamics, the rise of new development actors, and demands for transparency and measurable results have also affected how aid is designed and delivered. As a result, donors are placing more emphasis on flexibility, innovation, and collaboration in their assistance approaches.

Aid modalities are also evolving from traditional project aid to more flexible approaches, including:

1. Program-based assistance: Supporting entire sectors rather than isolated projects.
2. Results-based financing: Linking aid disbursements to specific outcomes.
3. Trade and investment: Promoting economic integration alongside aid.
4. Digital and knowledge transfer: Sharing technology and expertise.

### **Soft Power**

Coined by Joseph Nye, soft power refers to the ability to attract and co-opt rather than coerce. It involves shaping preferences through appeal and cultural influence, rather than military or economic pressure. Development diplomacy is a key component of soft power, as countries seek to build influence through aid, cultural exchanges, educational programs, and international cooperation (Nye, 2004).

Successful soft power strategies involve:

- Cultural diplomacy: Promoting language, arts, and culture.
- Educational exchanges: Scholarships, university partnerships.
- Humanitarian aid: Disaster relief, health initiatives.
- Technical cooperation: Sharing knowledge, technology, and expertise.

### **Nepal's Strategic Diplomatic Initiatives and Development Pathway**

Nepal's strategic location between China and India, two rising global powers, makes it a major player in regional geopolitics. Its stability and development are crucial for regional security, trade, and connectivity. Nepal's development trajectory relates to its diplomatic relations, especially with its neighbours, and with multilateral agencies focusing on poverty reduction, infrastructure, and climate resilience.

Historically, Nepal's aid landscape has been dominated by Western donors, India, and increasingly, China. The country has relied heavily on aid for infrastructure, health, education, and disaster management. The 1950s and 1960s saw initial aid inflows from the United States, UK, and India, primarily for health and education. The 2000s witnessed increased Chinese engagement, focusing on infrastructure, investment, and strategic cooperation (Adhikari, 2024).

Utilizing efforts like the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). The Belt and Road Initiative (BRI) offer opportunities for infrastructure and economic cooperation (Khadka, 2019). As Nepal's largest neighbour and aid partner, India's assistance remains vital, especially in health, education, and infrastructure (Government of Nepal; Government of China, 2024).

Nepal aims to align its development efforts with SDGs, focusing on poverty alleviation, health, education, clean energy, climate resilience, and gender equality. Diplomacy plays a role in mobilizing resources, technical assistance, and policy support for SDG implementation.

### **Challenges in Nepal's Development Diplomacy**

Nepal's development diplomacy plays an imperative role in mobilizing resources, engaging in strategic cooperation, and promoting sustainable development aligned with national priorities and international frameworks, such as the SDGs. However, the country faces various challenges that delay the effective implementation and outcomes of its development diplomacy efforts (Adhikari, 2023).

Understanding these challenges is essential for creating strategies that enhance Nepal's global engagement and development trajectory.

- Political Instability
- Resource Constraints
- Geopolitical Risks
- Environmental Vulnerability

### **Nepal's Commitment to the Sustainable Development Goals (SDGs)**

Nepal formally adopted the Sustainable Development Goals (SDGs) in 2015, aligning itself with the global agenda for inclusive, equitable, and sustainable development

by 2030. Recognizing the SDGs as a guiding framework for national progress, the Government of Nepal has systematically integrated them into its national planning and development processes (Karna, 2025). The SDGs have been incorporated into periodic plans, sectoral strategies, and policy frameworks to ensure that development efforts across all sectors contribute to achieving these global goals.

To operationalize the SDGs, the government has developed a wide range of strategies, policies, and programs that directly address the country's key development challenges (National Planning Commission, 2024). A central focus of Nepal's SDG commitment is the eradication of poverty in all its forms. This includes expanding social protection programs, promoting inclusive economic growth, and improving access to basic services, particularly for marginalized and vulnerable populations. Efforts to reduce poverty are closely linked with initiatives aimed at improving health and education outcomes, recognizing that human capital development is essential for long-term sustainable growth.

In the health sector, Nepal has prioritized improving access to quality healthcare services, reducing maternal and child mortality, and strengthening health systems, especially in rural and remote areas. Similarly, in education, the government has focused on increasing enrolment, improving learning outcomes, and ensuring equitable access to education for girls, differently-abled children, and disadvantaged communities. These initiatives reflect Nepal's commitment to SDG 3 Good Health and Well-Being and SDG 4 Quality Education (ADRA Nepal, 2025).

Sustainable energy development is another key pillar of Nepal's SDG strategy. The country has made significant investments in renewable energy sources, particularly hydropower, solar, and biogas, to expand energy access while reducing dependence on fossil fuels. These efforts contribute not only to economic development but also to environmental sustainability and climate change mitigation, in line with SDG 7 Affordable and Clean Energy and SDG 13 Climate Action (Investment Board Nepal, 2026).

Given Nepal's vulnerability to climate change and natural disasters, strengthening climate resilience has become a national priority. The government has integrated climate adaptation and disaster risk reduction measures into development planning, focusing on sustainable natural resource management, resilient infrastructure, and community-based adaptation strategies (Ministry of Forests and Environment, 2005). At the same time, Nepal has emphasized gender equality and social inclusion as cross-cutting priorities,

promoting women's empowerment, reducing gender-based violence, and ensuring equal participation of women and marginalized groups in development processes, in alignment with SDG 5 Gender Equality.

Overall, Nepal's commitment to the SDGs reflects a comprehensive and integrated approach to development that balances economic growth, social inclusion, and environmental sustainability. Through coordinated efforts at the federal, provincial, and local levels, Nepal continues to work toward achieving the SDGs and improving the quality of life for all its citizens by 2030.

## **Conclusion**

The evolving landscape of development diplomacy offers both opportunities and challenges for Nepal. Its deepening immersion in multilateral agencies has expanded the scope of cooperation and support for national priorities. At the same time, development initiatives with the backing of neighbouring countries India and China have added a crucial dimension to Nepal's development engagement. To secure long-term prosperity, Nepal must employ soft power strategically, engage effectively with diverse partners, and maintain strict alignment with the 2030 goals. As Nepal navigates its LDC graduation in 2026, its diplomacy must be pragmatic, inclusive, and forward-looking. By harnessing regional strengths and fostering domestic resilience, Nepal can ensure a sustainable future for its citizens in a shared global destiny.

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