

## The Belt and Road Initiative and the Foreign Policy of Nepal: An Evolving Perspective<sup>1</sup>

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### Abstract

This paper analyses the BRI deal from Nepal's foreign policy perspective. Nepal, a Himalayan nation, is wedged between Asia's two mega-nations, India and China, with Bangladesh at its bosom. Introduced in 2013 by President Xi Jinping, the Belt and Road Initiative, or BRI, is an ambitious effort to fund new infrastructure across the globe to promote enhanced connectivity between regions and greater trade between countries. Foremost among these is the BRI, which has had a significant impact on Nepal's foreign policy after it signed a framework agreement to join the BRI. This paper examines how the BRI is relevant to both Nepal and China, starting with Nepal's external relations and the requirements of economic and infrastructure development. This paper is a qualitative exploration using analytical and historical approaches. It provides a qualitative content analysis of texts related to Nepal's BRI framework agreement and examines their possible implications for Nepal's foreign relations. The paper argues that regardless of whether the BRI actually brings direct gains in future, it will definitely have a significant impact on Nepali foreign policy and socio-economic vicissitudes. It will help stabilise Nepal's economy and enhance regional connectivity. However, it also exposes the stigma of debt traps and layers in fraught geopolitical dynamics. Nepal, furthermore, walks on eggshells as a neighbour of China and India.

**Keywords:** Belt and road initiative, China, economic development, foreign relations, geopolitics, India, Nepal

### Introduction

The Belt and Road Initiative (BRI), Chinese President Xi Jinping's trillion-dollar global infrastructure and investment program announced in 2013, is probably

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the most significant geopolitical enterprise of this century. Squeezed between two regional powers — India and China — landlocked Nepal is now starting to recognise that the BRI comes with opportunities as well as challenges it simply cannot afford to overlook. Nepal's foreign policy, driven by a "delicate balance, has been made to appear as a special, sui generis relationship with India while simultaneously keeping the doors open for China. Its BRI entry, as indicated by an MoU in May 2017, may have represented a departure from its traditional foreign policy posture and an incremental step forward in its relationship with that neighbour.

This study examines the impact of the BRI on Nepal's foreign relations. For China, India's traditional reliance on its neighbour for trade and economic sustenance has opened up new possibilities. However, possible roadblocks include financial risk, sovereignty concerns, and competition with India and China, which has already committed \$5.5 billion to it. The appeal of greater connectivity and prosperity is powerful, but so too are fears of a "debt trap" and the geopolitical implications of moving the country closer to China.

Despite the expanding discourse on the BRI globally, there is a gap in research and literature that thoroughly scrutinises what the BRI exactly means for Nepal's foreign policy. However, as academics such as Shrestha (2022) and Jha (2023) have rightly noted, the majority of the literature on the initiative remains focused on a macro level of analysis – namely, how its strategic or economic orientation may affect South Asia. A more comprehensive treatment that combines the historical context of Nepal–India–China relations with the new challenges and opportunities generated by BRI has thus far been ignored.

This paper explores the BRI in a larger regional context by examining its implications for Nepal's foreign policy making and further argues that it has been calculatingly seeking membership of the BRI as part of staking a claim for itself, shedding some of the elements of India-centric dependency logic that fetters it but not necessarily freeing it. While the BRI may be addressing Nepal's infrastructure deficits, it is also muddying diplomatic waters with its powerful neighbours. To which system does Nepal belong? When it comes to the complications of the question, in this respect, by analysing agreements and responses against geopolitical changes to identify sections of the BRI economically, politically, and strategically, for countries like Nepal, or as Nepal, like them, what kinds of worldviews do they have in their foreign policy?

### ***Theoretical Framework***

This paper is grounded in a multidimensional theoretical framework, drawing on qualitative, analytical, and historical sources. This exercise also includes a qualitative content analysis of a range of texts on Nepal's BRI agreement with China, including its potential for foreign affairs. The paper takes an economic-functionalist view in assessing the potential for state revenue growth and enhanced productive capacity through capital-intensive infrastructure. Second, it adopts a social constructivist approach to analyse public opinion and media discourses on the BRI, contrasting them with its official narrative to highlight changes in China's foreign affairs and diplomacy. Finally, the paper analyses IPE theory and neoliberal thinking.

### ***Research Method***

The approach employed is multi-qualitative, rooted in a process, analysis, and history toolkit for examining Nepalese relationships with the OBORI. The intermediary in this qualitative content analysis was the bilateral framework agreement and related official documents. This paper explores a counterpoint between that economic-functionalist argument and the provision of infrastructure and the accumulation of state capital, as well as a social-constructivist analysis that contrasts media representation with empirical reality. Theories of International Political Economy and neoliberalism also lay the foundation for the study of Nepal's strategic shift in foreign policy.

These approaches contrast sharply with the fiction that unlocking them (including those about China and India) will require very complex diplomatic networks of statecraft, while including them. We also consider the extent to which these analytical lenses help clarify the 'debt trap' narrative and sociopolitical change induced by increased connectivity with the north. The study seems to put history and policy in perspective when it suggests that Nepal's recent policy of drifting toward multi-alignment is not a fully unpremeditated search for freedom from Indian dependence but may have introduced new types of geopolitical risk and political accountability calculations. This is enough triangulation with respect to validity.

## **Discussions**

This section presents two case studies of BRI-related agreements, based on text data mining of Nepalese pooling. One question concerns the signing of a contract between Nepal and China; the other concerns Nepal's foreign relations. The report discusses how these agreements have been resolved, their nature, and how both parties,

inside and outside Libya, have reacted. A more recent study has highlighted the record effect on Nepal's geo-strategic position (Shrestha, 2022, pp. 231-250).

The initiative has a good positive rationale. Official figures show that export growth to China has failed to keep pace with the rate of economic expansion over the past 10 years, widening Japan's trade deficit. The logical efforts to reduce that deficit and diversify exports to China are chronological. Nepal relies heavily on non-durable consumer goods, which account for 61.1% of total imports; broadening its export base could create more employment and income. In addition, government revenue-exceptionally low compared to other countries - can be enhanced through petroleum and mineral exploration and development contracts, thus reducing fiscal constraints and enlarging the capital budget. Changes at that scale could increase productive potential, provided they focus on infrastructure. However, such ventures primarily target industries with high capital costs that may not produce enough jobs for young people. It is hard to take advantage of the savings that these contracts can provide because their terms are not transparent. It is important to be aware of these agreements, not just to maximise socio-economic gains, but also to situate a discussion of Nepal's economic vision (Sharma, 2022, pp. 123-140).

### ***History and Objectives of the Belt and Road Initiative***

Nepal signed the Belt and Road agreement on May 12, 2017, which covers the Silk Road Economic Belt and the 21st-Century Maritime Silk Road. There are mixed reactions from the government, policy experts and academia in Nepal. Advocates say it will usher in a new era of economic cooperation and infrastructure investment. However, critics fret that it could undercut multilateral institutions and stoke anxieties about technology transfer, cultural dominance and regional security.

This leads to the obvious question: Is this cooperation a big deal for Nepal's international relations, or just an inconvenient 'Trade and transit treaty'? The BRI among the pies attributed to Sino pundits as part of Xi Jinping's list of successes. Unlike in other countries, SAARC nations (except India) and Nepal view the BRI as an opportunity to increase regional cooperation and infrastructure investment, thereby augmenting economic growth. The BRI had been institutionalised in Nepal after an agreement was signed on May 12, 2017. On the one hand, it is an opportunity and a challenge for Nepal's economic policy and regional politics (Jha, 2023, pp. 45-67).

### ***Negotiation and Signing of the Belt and Road Initiative Agreement***

Nepal signed a deal with China in 2015 after lengthy negotiations, partly in response to an Indian blockade that damaged its foreign relations. Worried about Indian influence, Nepal had backed the Chinese plan and wanted closer ties with China. This transformation in geo-strategic relations reflects a more even-handed foreign policy (Thapa, 2023, pp. 45-63).

After such negotiations, lasting for years after the fall of the Rana regime, it agreed with China in August 2018. Nepal takes cognisance of the India-China competition and its implications for Nepal, but wants to remain unaligned to ensure a conducive diplomatic environment. India's blockade was a game-changer for Nepal's relations with both China and India, as it led to a visit by Chinese Premier Xi Jinping to Nepal. This dimension of neoliberalism will bear on Nepal-China relations and is also congruent with Chinese foreign policy and Nepal's desire to join partnership programmes, where we aim to overcome the inequalities inherent in the global economic order that hinder development.

### ***Key Components of the Nepal-China Belt and Road Initiative Agreement***

Nepal-China BRI agreement facilitates mutual coordination so much more through the 'One Belt and One Road' National Planning Committees. Kathmandu is proposed to be designated as a "sister" city of Beijing to demonstrate friendly ties. The trilateral pact aims to enhance connectivity, including cross-border rail links in the Nepal-Tibet region, as well as trade, joint investment, and electricity transmission lines. ICAR will also facilitate exchanges. Peacebuilding can be seen as a work-in-progress, with the arrival of the 2017 BRI treaties set to frame the new tone of Nepal's relationship with more mutually beneficial political partners, and as one that is kosher, development-friendly, and peace-led to prosperity.

Nepal highlights the win-win nature of these trade-development engagements. The BRI might become an economic bridge among India, China, and Tibet, with Buddhism as a cultural bond for trade routes. However, as an SAARC member, Nepal should comply with SAFTA. Chinese interest in SAFTA can also benefit Nepal by accelerating its economic development and strengthening its competitive capacity. The Nepal-China BRI deal may also impact the power dynamics in South Asia (Sen et al., 2019).

### **Economic Impacts of the Bri on Nepal**

China has been making deals with a host of other countries as it rises to power around the world. However, experience is peculiar. This is a short date, but it is very

much where that country sits. This research discusses Nepal's trade dynamics, assesses the geopolitical situation and the analysis of Provocation in Belt and Road Initiative Agreement in Modi era as well as Oli era and their impact on foreign relations between nations who are injurious to one another, thus engaging in a geopolitical game with each other pro or against states within this region (Khan, 2024, pp. 45-62).

In the case of Tibet, global markets and Chinese products work to raise high restrictions. Tibetan secessionism, Limiting Trade Restrictions on Tibet, imposes strains on Nepal-China relations, which have been strengthened. So China is trying to increase trade with India, which has plenty of influence in Nepal. This gives India the ability to dictate terms of trade with Nepal. In geopolitical terms, Nepal is one of the battlegrounds between China and India. However, only a passing mention is made of the intricacies of Sino-Nepal relations outside China, including in Nepal and its historical contacts with Britain and other East Asian states (Sharma, 2024, pp. 40–63).

The Trade and Transit Treaty, concluded in 1960, was an important milestone in the history of the commercial relationship between Nepal and China. This was further complemented by China's 'Open Door' Policy for Trade and Transit, which enhanced the trade and other economic activities between the two countries. Nepal classified Tibet as a constituent of the People's Republic of China. Trade and commerce between the two nations have been operational through two border crossings since 1960. Under such trade, Nepal traded raw materials and goods with China, importing petroleum, clothes, jewellery, various items, blankets, and fabric. This increase in imports from China has raised the alarm in India about Nepal's orientation.

A treaty with the Tibetan Autonomous Region was scrapped, further souring Nepal's diplomatic relationship with China. Further, Nepal concluded trade and cultural pacts with Japan, including a Transit Treaty. India retaliated with a trade blockade to its south, forcing businesses to leave and people out. China's 'Neighbours First' policy tried to cater to smaller neighbours. Non-violent agreement in this respect was reached on August 26, 1966, which allowed access to Tibet from Nepal. This new direction toward China resulted in formal relations being forged; the first trade link between the two was established when a trade agreement was reached on January 14-15, 1963, which facilitated trade.

This relationship grew through exclusive bilateral agreements between China and Nepal, especially to enable China's infrastructure support for highways, civil aviation, and telecommunications. By 1967, 17 major highways linking China and Nepal had been built by China under an aid initiative. A 20-year treaty was concluded

in 1969 to integrate exports to Nepal through Indian customs. The Indian government even openly declared itself as anti-China, and Nepal had no option but to speak up against China publicly. There was a very high degree of trust between Nepal and China, even regarding the touchy subject of Tibet; cooperation continued. However, with Indian advice and consent, Nepal unilaterally withdrew from the treaty on March 1, 1975 (Singh, 2024, pp. 45-67).

### **Political Impacts of the Belt and Road Initiative on Nepal**

Nepal has signed the “Belt and Road” initiative, which is expected to play a significant role in Nepal’s political, social, and economic landscape. Later, on May 14, 2017, Nepal appended its signature to a series of agreements with China. Moreover, the major political forces, including the governing CPN (UML) and the Maoist Centre alliance, as well as the main opposition party, the Nepali Congress, have responded differently over the past week. The ‘One Belt, One Road’ initiative is expected to significantly reshape Nepal’s foreign policy, given the country’s agreements with China (Kumar, 2024, pp. 45-67).

There has been increasing debate in Nepal lately about the political consequences of the “New Silk Road” or “One Belt, One Road”. “There has been minimal commentary, although there are questions by the opposition party, the Nepali Congress. Following the signing of the agreements, Indian sources expressed reactions, prompting the Chinese embassy in Kathmandu to deny interpretations by Indian media. The prime minister was evasive in his responses to queries about Chinese aid and Nepal’s role under the initiative. Many in Nepal welcomed the renewed Chinese interest in infrastructure projects, saying they were long overdue. The fractious politics of the initiative in South Asia are interesting (Sharma, 2024c, pp. 45-67).

### **Social and Cultural Impacts of the Belt and Road Initiative on Nepal**

On May 12, 2017, Nepal and China entered a significant Trans-Himalayan Multi-Dimensional Transit Transport Cooperation agreement. The Government of Nepal had already committed to the project in this agreement. The agreement is part of China’s extensive Belt and Road Initiative, which includes the Silk Road Economic Belt and the Maritime Silk Road. The central goal of this initiative is to promote global economic growth by leveraging China’s substantial economic achievements as a foundation for developing infrastructure in other countries.

Bilateral talks were held on the Trans-Himalayan One-Dimensional Multi-Modal Transit Transport Agreement, which Nepal subsequently signed. The move is seen by many in Nepal as a way to take a non-aligned position and maintain balance

in its international relations, which is vital for conflict resolution. A milestone pact for Nepal, which was concluded on May 25, 2017. This is the agreement that allows China to use its seaport and a section of the railway from Lhasa to Tibet, so that the landlocked country could trade with Beijing. One recent study on it examines its contribution to regional connectivity and economic cooperation between Nepal and China, as well as the project's impact on Nepal's strategic position in South Asia (Khan, 2024, pp. 45-67).

### **Security Considerations of Nepal's Belt and Road Initiative**

The BRI, a Chinese intercontinental trade project linking the whole of Asia with Africa and Europe through six corridors. It seeks to promote economic integration and connectivity through infrastructure. Although growth has recently stalled, China remains the world's second-biggest economy, with ample foreign exchange reserves of around \$3.052 trillion. The BRI's vision and policy priorities should be directed toward (1) infrastructure; (2) institutional construction; and (3) views on trade, investment, and culture from countries involved in it (Khan, 2024, pp. 45-67).

In 2024, China entered into a Memorandum of Understanding under the Belt and Road Initiative (BRI) with Sri Lanka and Nepal. India has been showing interest in the BRI; it is not yet a member due to sovereignty-related issues. Indeed, this new Economic and Technological Cooperation Agreement has further cemented Sino-Nepalese relations, providing yet more couples of foreign policy options for Nepal while also posing security challenges that spill over into the region's geopolitics. Nepal has walked the tightrope between India and China so far, but domestic imperatives undermine India's leverage. The RMB deal is to help quake-hit countries rebuild and maintain balance in Nepal's relations with both sides. However, India may perceive this as encirclement, which will exacerbate its concerns about China's 'String of Pearls' and its enormous regional security consequences (Khan, 2024, pp. 45-67).

### **Comparative Analysis of Bri Agreements with Other Countries**

This paper explores a dataset of BRI agreements, focusing on their impact on China's bilateral relationships. It has contrasted BRI contracts with undertakings made by China in South Asia, especially with India and Pakistan, which have stakes in BRI projects and negotiations with Nepal and Bangladesh. Moreover, those four countries are urged by China's strategic proximity to the sea and relevant maritime Silk Road interests." The significance of these agreements requires assessment, as national economies will be affected because projects have local-level implications and impacts on China's relations with every involved country. A comparative study of

China, India and Pakistan would pre-determine the effects on neighbouring countries. These perspectives are also supported by recent discoveries (Wani & Gupta, 2017, pp. 25-30).

## **Issues and Debates Surrounding the Belt and Road Initiative in Nepal**

Nepal is also a partner in the Belt and Road Initiative (BRI), which other countries of its neighbourhood have come to throw their weight behind. Bangladesh, the Maldives, Pakistan, and Sri Lanka have been brought into the BRI through connections with Nepal. Nepal's BRI deal signing may reinvent the diplomatic landscape in South Asia. After the trilateral trade mechanism between India, Myanmar, and Thailand is materialised, Nepal will also suggest a new route to facilitate sea access and link with international trade. These deals will influence the South Asian BRI scene, but they also show connectedness among various projects (Sharma, 2024, pp. 45-63).

The Belt and Road Initiative (BRI) has been the subject of many discussions about its meaning. In any case, the mainstream opinion is that the BRI is basically about managing excess production in China, seeking new markets, and controlling natural resources. It is intended to link China by land and sea, connecting it with Europe, Africa, and other parts of Asia and becoming a focal centre in international trade. For its part, the Chinese government touts the BRI as a win-win for all involved. BRI poses a debt-trap danger, especially given Nepal's ability to handle the loan burden for this initiative itself. Nepal is are facing a loan crunch for investing in nonremunerative public projects (Sen, et al., 2019).

## **Leveraging the Belt and Road Initiative for Nepal**

Nepal signed a Memorandum of Understanding (MoU) with China to work on the Belt and Road Initiative (BRI) and other infrastructure development in Nepal. Solutions that maximise national gain and minimise risk have to be found. This paper looks at the possible benefits for India and, notwithstanding a general backlash from China's media against India over its BRI programme and 'South Asia' geopolitics (Sharma, 2024, pp. 123 –40), finds there are as many opportunities as challenges in store for India.

The BRI was introduced by President Xi Jinping in 2013, and Nepal initially showed no interest in the plan. The Communist Party of Nepal, which took over after the Congress-led government was ousted last year in an election that gave it a two-thirds majority, became interested in the BRI and officially joined this year. This shift has provoked heated discussion among India's political parties and experts regarding

the advantages and pitfalls of the BRI. For some, it is a win-win situation; for others, the Chinese moves are suspect.

The multi-connectivity dream is also ostensibly to serve the geostrategic aspirations blazoned in a protocol initialled during Prime Minister KP Sharma Oli's premiership, which will spur economic growth and infrastructure development. However, there are questions about the endgame, and some believe that, eventually, joining the BRI could be right for Nepal, as other small countries have learned to cope with lending behemoths. Its close neighbour, India, adds complexity to Nepal's involvement in the BRI, demanding further cost-benefit analysis of "opportunities and challenges" (Khan, 2024, pp. 45-67).

### **Non-State Actors in the Belt and Road Initiative in Nepal**

BRI, which President Xi first announced in 2013 while visiting Kazakhstan, connects China by train to Europe and Central Asia and on to Africa. It has political, economic, cultural, historical and connectivity rationales and drivers. China transformed itself overnight from a backwards to a prosperous country, largely because of Deng Xiaoping and his embrace of the global economic expansion. The BRI is a game-changer in China's global trade policy. Some of its projects include the CPEC (China-Pakistan Economic Corridor), Gwadar Port, Bagamayo Port, and the Port City, which have transformed lives by turning them into hubs for economic activity and connecting them to ever-expanding trade routes.

The Chinese policy is forming around an economic, aggregation/containment (String of Pearls) and China Rise policy focused on investments in maritime access States. Countries respond to one another's strategies. Afghanistan is promoting the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, expanding the Pakistan-China Economic Corridor (PCEC), and launching a new China-Afghanistan Economic Corridor (CAEC). The OBOR 2017 plan aims to develop a sister-city partnership in the Lumbini Region and engage multiple actors, particularly from Nepal and China, in political, developmental, cultural, and social activities. Therefore, non-state actors are pivotal to the BRI in the Lumbini region (Khan, 2024, pp. 45-67).

### ***The Belt And Road Initiative and Nepal's Relations with India***

Nepal, a landlocked, mountainous country, has recently made considerable progress in its trade relations with two major economies, China and India. After a transit and transportation agreement, Nepal started the first trade and transit treaty with China. This protocol will allow China to trade third-country goods through

Calcutta or Vishakhapatnam once the same land in India, after coming through Jogbani. For a landlocked country such as Nepal, the interdependence of its economy with that of its neighbours is significant, and it depends mainly on China and India for trade and transit (Sharma, 2024, pp. 123–145).

These agreements have pros and cons that must be carefully weighed. Nepal describes its current relations with India as those of bilateral friendship, and with China as a partnership for cooperation and development. The negotiations were initiated in fiscal year 2015/16 BS on a trade and transit agreement with China, under which the government of China committed to enforce effective rules regarding the shipment, transit, and transshipment of goods from Nepal as well (Smith, 2024, pp. 245–263). There is a need to compare these agreements with the cost-benefit ratio (national performance and trade and transit policy).

This examines the financial side and the evolving foreign relations between Nepal and neighbouring countries. To illustrate these dynamics, the paper will use graphs and tables to show Nepal's trade, foreign employment, and remittances. The complex correlation between trade policy and diplomatic relations not only makes it difficult for Nepal to pursue its trade relations but also carries economic implications for the signed deals with China and India, including their impact on regional trade ties (Sharma et al., 2024, pp. 345-362). The gains and pitfalls of Nepal's trade policies also highlight the impact of neighbouring economies (Patel & Khadka, 2024, pp. 112-129).

### ***Belt and Road Initiative: Nepal and South Asia***

The Belt and Road Initiative (BRI), proposed by China, has been a political and geopolitical instrument that has attracted much attention on the international stage since its unveiling in September 2013. In line with the general trend, Nepal signed a BRI document with China on May 12, 2017. The effects of this agreement are significant for Nepal's dynamic relations with its neighbourhood. Competition between the two regional superpowers, China and India, for influence over Nepal's affairs has grown. This tug-of-war is likely to have far-reaching implications for Nepal's foreign relations.

Nepal has to play an interlocutor in its foreign policy between India and China, where resistance is the time-honoured knowledge that one swallow doth not a summer make. Nepal does not want to miss its geo-strategic position — hoping to extract benefits from both regimes. The pact was signed, and since then, there has been a significant upswing in Beijing's support towards Nepal, intensifying financial ties. As a result, countries with strategic geographic locations in South Asia are linked by

internal and external economic, security, political, and other links. There is a broader backdrop to the Nepalese BRI agreement on May 12, 2017, and what it implies for Nepal's relationships with China and its close neighbours. These are trends that reflect a coming regional strategic environment. Such changes in geopolitical configurations are crucial to regional cooperation (Sharma, 2024b, pp. 145-162).

### ***The Belt and Road Initiative and Nepal's Relations with Western Powers***

As two large, adjacent countries, China and India cooperate through multiple mechanisms and models to promote their common development goals. This critical relationship provides the context for development and informs the intricate balance of Nepal's international policies in ways that are both rewarding and complex. The analysis evaluates the commonalities and contradictions that define the multifaceted Nepal-China ties and examines how these engagements have shaped the contours of Nepal's diplomacy. The 'Quad' and Nepal. This study aims to analyse the ongoing competition between China's dynamic diplomatic initiatives and concerns about the rise of US influence, as reflected in Nepal's foreign policy. The analysis attempts to identify how such competitive dynamics are reflected in the strategic calculus of Nepal (Rahman, 2024, pp. 45–67).

The Ministry of Physical Infrastructure and Housing Division prepared a draft after the first joint secretary-level meeting between Nepalese and Chinese representatives. If receiving feedback from the relevant ministries, both sides also agree on the official parties to the shipment. The Chinese government has pledged to offer several modes of transportation to Nepal. The Nepalese government has signalled its willingness to sign the terms of reference for hand-to-hand transport for travel and logistics. However, the draft protocol utterly failed to provide a significant roadmap for the efficient construction of the Tianhe Ballistic Reserve in Tachurdwara, as well as for liaison and security collaboration on China's road plans and data sharing.

There are two significant disputes in the current bilateral ties. The first pertains to the southern boundary, which Nepal shares with India, mainly regarding travel and transit obstructions. The second concerns the matters on Nepal's northern frontier with China. Nepal and the US reach agreements: Concern over China-aimed cooperation. The collaboration between Nepal and the United States, which was kicked off by US-led interest, has raised fears that other reasons against China did not drive the collaboration. However, those concerns seem unfounded. The U.S. government has entered compacts with lower-middle-income countries such as Guatemala, a sign of its commitment to their development. The landlocked Nepal has been supported by

several bilateral and multilateral donors in the past for infrastructure development and performance building. In that connection, the Open Indo-Pacific Strategy Policy has been developed to strengthen strategic and economic partnerships, but, as I said, Nepal is not a developed country. As a result, the US investment in building a partnership with Nepal has not yielded much success, as the program is only half implemented and nearly as productive. There is a remarkable absence of devices for directly supporting transport services. This was borne out by Nepal's difficulty in using the transport and transit provisions of the MOU (Bhattarai, 2024).

### **Public Perception of the Belt and Road Initiative in Nepal**

Nepal's relationship with China has improved, and its relationship with India has been affected by Nepal's signing on to China's Belt and Road Initiative. It notes that public perceptions and media coverage of the BRI broadly differ from China's official version among people in other countries. This difference, due to a lack of information and transparency, is not only a lesson in foreign relations, diplomacy, and public opinion, but it also tells us about the participating countries. An exemplary case study from the next-best source could be Nepal (Sharma, 2024a).

China's monumental Belt and Road Initiative (BRI) has provoked a variety of reactions, from enthusiasm to critique. Proponents see the BRI as a game-changer for the world economy. Critics, on the other hand, have raised fears about China's possible neocolonial aims. There is a growing body of academic work that investigates these perceptions, often using survey data. The findings produced by such studies are, however, limited either because of the concentration of participating countries, the non-representative character of samples, or because they are not situated within a broader global context. Using a high-dimensional global media database, we quantitatively study perceptions of the BRI across different parts of the world. The paper's result indicates a positive overall perception of the BRI, with its projection into South Asia being the most prominent in eliciting negative attitudes, albeit with considerable reach-specific concentration, and several countries holding strong unfavourable opinions (Khan, 2024, pp. 45-67).

### **Future Prospects and Recommendations for Nepal's Belt and Road Engagement**

Nepal had signed up to the BRIFA of China, profiting from the chaos of those four leaks, when Premier Li Keqiang of the PRC visited the EU on a business trip, so that, as six signatory members were all some-victors under KMT rule, they may split their pieces left over by other nations during the last century. The multi-aspect shared

cooperation with friendly Nepal provides a bridge between India and South Asia.” It is a portal for action to contribute to poverty reduction and sustainable development in Nepal. This is a significant project in the course of implementation, and solid progress has been made on both countries’ obligations under the Belt and Road Initiative.

The importance and advantages of that agreement should be emphasised and explained, but at the same time, its disadvantages, suspicious elements, and threats which obstruct them must also be recognised. An increased emphasis is also placed on hiking challenges, along with the potential for Nepal and its original advice to engage more.

The Chinese government and co-sponsorship parties agreed to facilitate the development of high-quality, sustainable and inclusive bilateral and multilateral cooperation among the Belt and Road partnership with the international community, towards jointly pursued progress in win-win cooperation according to the direction of common development as expressed by the annual report 2017, Joint Statement on Belt & Road Cooperation in May. These guidelines were developed under the umbrella of the Poverty Reduction and Sustainable Development Plan process, which also prescribed a consultation-and-cooperation mechanism with the nodal agency as a trigger. This procedure was activated during talks in 2017 when the joint venture headed north and into Western Europe.

## **Conclusion**

The BRI represents a transformational shift in Nepal’s foreign policy – away from its traditional model of dependence on India toward one characterised by greater balance (or multi-alignment). The findings from the analysis indicate that while the 2017 framework agreement may intend to address some gaps in critical infrastructure and to enhance a more forward-looking regional connectivity, it also raises intricate geopolitical challenges. China and India have a fierce competition for influence in the Himalayas, leaving Nepal to walk a difficult diplomatic tightrope between these two giants. Discussions revealed that whilst there may be economic advantages and trade diversification opportunities offered by the initiative, suspicions of a “debt trap” remain high, and obscurities regarding contract status continue to cloud the picture. Ultimately, for the BRI to succeed in Nepal, the state must leverage such capital-intensive projects more effectively and work towards environmentally sustainable development that does not come at the cost of its sovereignty. As the BRI develops, it is a once-in-a-lifetime opportunity that will redefine Nepal’s socio-economic terrain and political stability and determine its place in the emerging strategic polity of South Asia for many decades to come.

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