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Nepal and the Belt and Road Initiative: Assessing Opportunities and Challenges

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Abstract

In just the same manner as it is contested, debated, and controversial globally, the BRI offers the contrasting duality of prospects and challenges to Nepal. The Belt and Road Initiative (BRI) is the development initiative and framework which was formulated and initiated by President Xi Jinping of China in 2013. This, in the later years, became a vital component of Chinese foreign policy and development strategy. It focuses on creating multiple opportunities and benefits to China and the countries connected to it, in the areas of infrastructure, trade, policy, finance, and people-to-people cooperation. The opportunity for Nepal is to take advantage being a bridge between two neighbours and can be a hub for the movement of people and goods. These advantages, however, do not come without the perils of the obvious downsides, such as the risk of social disturbances stemming from different religious, cultural, and ideological values, legal and political, much of which can be attributed to the domestic and international, and pose challenges. Limited exploration and insufficient investigation of opportunities and challenges in implementing the BRI undermines the gravity of its bearings on Nepal's socio-political as well as economic spheres. The objective is to identify potential opportunities and challenges associated with the implementation of the Belt and Road Initiative (BRI) in Nepal, as well as to propose mitigation strategies and remedial measures to address those challenges. This paper will explore the impacts of implementing BRI in Nepal at the backdrop of economic necessity and the significance of regional and global actor's concerns. The nature of the problem restricts the methodology to descriptive and analytical methods. Existing literature on the subject will be analyzed for explanatory and descriptive insights, aiming to discern prevailing trends across various variables in the security, economic, and political dimensions.

Keywords: *Belt and road initiative, community of shared future, AIIB, development strategy, connectivity, regional and global actors*

Introduction

The Belt and Road Initiative (BRI) was the development initiative and framework that was formulated and initiated by President Xi Jinping of China in 2013. President Xi brought forth

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this initiative in the speeches he delivered in Kazakhstan and Indonesia in the process of his visits. He formally announced the Silk Road Economic Belt and the 21st Century Maritime Silk Road as the primary initiatives. In later years this concept is becoming an important foreign policy instrument for China in many aspects (Callahan, 2016). This initiative is believed to be instrumental in developing win-win cooperation amongst countries situated along the Belt and Road routes (Liu, 2020).

The Fifth Generation Leadership of China under President Xi Jinping has developed this concept as the centerpiece of the policy framework for strategic, economic, and political concepts (Callahan, 2016). It is evident that it will impact the economy and infrastructural development of the countries linked with BRI and contribute to global development (Chen, 2016). The important opportunities from this initiative include increased outbound capital investment and infrastructure project coordination and collaboration with Chinese agencies (Liu, 2020). It will further leverage Chinese partnerships abroad to gain access to the Chinese market and facilitate Chinese funding for investment and fundraising. Additionally, it can develop outbound financing and private equity funds through joint initiatives such as the AIIB, Silk Road Fund, and China Aid (Zhang, 2018).

From an economic perspective, the Belt and Road Initiative (BRI) presents a significant opportunity for Nepal. By participating in the BRI, Nepal has the potential to become a hub for the South Asian economy, leveraging enhanced connectivity through rail and road networks with China (Adhikari, 2020). However, alongside these opportunities, Nepal also faces several challenges due to its strategically important location between two rising global powers, China and India. As India and China emerge as pivotal players in the global economy and politics, their actions are becoming defining features of 21st-century international relations, marked by increasing economic interdependence, heightened strategic ambiguity, and underlying tensions (Pant, 2017). This growing global focus on the dynamics between China and India places Nepal's geopolitics under international scrutiny, creating dilemmas and complexities in the implementation of projects like the BRI as originally envisioned (Shrestha, 2019).

Significance of BRI to South Asian Economy and Security

The Belt and Road Initiative (BRI) aims to develop multiple economic corridors connecting China to Mongolia, Russia, Central Asia, and Southeast Asia (State Council Information Office of China, 2020). This initiative focuses on promoting peaceful development by enhancing domestic harmony and fostering international peace and cooperation (Council on Foreign Relations of China, 2018). By opening up new markets, the BRI seeks to meet the development needs of all participating countries, including those in South Asia (Singh, 2019).

Collective efforts among these nations could be strengthened to combat terrorism and extremism in the region, potentially leading to the development of a regional security mechanism in South Asia (Panda, 2020). The initiative also aims to utilize the immense natural resources and manpower of the region, addressing issues such as brain drain (Hameiri & Jones, 2020). By providing local employment opportunities, the BRI could reduce the need for risky foreign employment, enabling youth and working groups to contribute to nation-building efforts within their own countries (Liang, 2021).

The Belt and Road Initiative (BRI) has the potential to significantly boost the gross national product of South Asian countries, including Nepal, by enhancing connectivity and fostering economic activities in sectors such as hydropower development, agriculture, mining, and tourism (World Bank, 2019). This enhanced connectivity can facilitate industrial development, generating new job opportunities and lifting marginalized and impoverished populations out of poverty. Consequently, the BRI contributes to capacity development in South Asian nations, including Nepal, leading to stronger regional connectivity (Maliszewska&Mensbrugge, 2019).

Finding Opportunities from BRI in Nepal's National Progress

Integration of BRI in National Plan

The BRI is more than just connectivity, which has been explained at length. BRI is an economic integration presently covering the area which makes up 65 percent of the total population of the world and one third of the world's total GDP (Chan, 2015). At one level, BRI can be the largest platform in the world for regional cooperation and collaboration with the vision to understand and realize the "Five Links"; they are linkages in policies, connectivity, trade, finance, and people (Seni, 2016). Therefore, BRI can be integrated in National plan in different sectors, which can help in the development progress as well as to achieve the Sustainable Development Goals (The SDGs). Following are major areas for the integration of BRI.

Connectivity Enhancement

As per one Chinese saying, "If you want to get rich, build roads" (State Council Information Office of China, 2018), connectivity encompasses rail, road, air, and sea network connections. Strengthening Nepal's connectivity with its northern neighbor will facilitate greater economic integration (Council on Foreign Relations of China, 2018). Nepali goods will have new markets, and Nepal will gain new trading routes with the international community, literally connecting India and China, extending the Trans-Himalayan trade to the river basin of the Ganges (Anderson, 2022). Improved connectivity has the potential to bridge Nepal's remote terrains and invigorate the hill economy. Enhanced transportation links will attract a larger influx of tourists while facilitating the access of goods to new domestic and international markets (RAND Corporation, 2018). These developments will collectively have a positive impact on Nepal's economy. Since the BRI is a multi-modal economic corridor, these initiatives align closely with its objectives (World Bank, 2019). Efforts are already underway to leverage the BRI for the development of road connectivity with China.

With the signing of the Belt and Road Initiative (BRI) framework agreement by Nepal on May 12, 2017, the Nepali nation has taken a giant step toward real globalization by making full use of China's grand vision of using the ancient Silk Road as a means of connectivity with the modern world (State Council Information Office of China, 2018). The formalization of the preliminary agreement in the form of a MoU signed by Nepal's Foreign Secretary Shankar Dash Bairagi and Chinese Ambassador Yo Hong has sent a positive signal to the world and ended the suspense regarding Nepal's participation in this global project (Council on Foreign Relations of China, 2018). There are sufficient opportunities, but the call is for assessing Nepal's requirements and supports under BRI infrastructure and investment projects. With this,

Nepal's growth potential will increase in all core areas of the economy, including hydropower development, mining, agriculture, and tourism. With its geographical location, Nepal can become a gateway to the South Asian region for China and other countries associated with the BRI (RAND Corporation, 2018).

Rail Connection

The strategic plan put forward by the Nepali government envisages starting preparatory works and completing the DPR of the electric railway line connecting the Chinese border point (Rasuwagdhi) with Kathmandu, Pokhara, and Lumbini within three years. Chinese railway is already expanded up to Shigatse, in Tibet, about 450 km from Kerung. Kerung is at a distance of nearly 26 km from Rasuwagadi, Nepal. China plans to extend its railway service to Kerung in the near future (Sharma, 2016). Nepal and China will need to have a separate deal to make use of the Chinese railway service for trade purpose by Nepal. “Nepal and China discussed about the early conduct of feasibility study and preparation of the DPR of Nepal-China Cross Border Railway line stretching from Kerung to Kathmandu and from Kathmandu to Pokhara and Lumbini (MOFA, 2018).

Highway Connection Opportunities

As Nepal has a very difficult terrain to develop a railway network laterally and longitudinally over the country, which is economically very expensive to construct, run, and maintain, vertical and lateral highway connections within the country as well as with neighboring countries are an important aspect for trade and transit (World Bank, 2019). This aspect is an important concern of BRI projects. Chinese modern and high-class technology in the construction of highways in difficult and high-altitude terrain will be helpful in constructing the highways in Nepal's difficult terrain (Council on Foreign Relations of China, 2018).

Increments in Air Connection

Tourism is one of the strong pillars of the Nepali economy, and air connectivity is a key to the development of tourism (Shrestha, 2021). The Nepali government has coordinated with China in terms of developing the airport infrastructure in the country. The Gautam Buddha Airport in Bhairahawa is being upgraded to an international airport by Northwest Civil Aviation Airport Construction Group of China (Civil Aviation Authority of Nepal, 2023). The Nepali Government has also signed a deal with EXIM Bank China, which provided a loan to build another international airport in Pokhara (Neupane, 2016). Both projects have been completed and handed over to the Government of Nepal. Improved air connectivity to Chinese and Indian cities alone can multiply the influx of tourists (Nepal Tourism Board, 2022). In 2014, Chinese tourists accounted for 16% and Indian tourists for 17% of the total visitors to Nepal. However, in subsequent years, the number of Chinese tourists visiting Nepal surpassed that of their Indian counterparts.

High Speed Internet Connectivity

Nepal is among the countries with the poorest bandwidth available in the world. One of the prerequisites for multinational cooperation and working nowadays has been high-speed internet. Many service oriented sectors rely on the internet for daily jobs (Manyika &

Roxburgh, 2011). Broadband internet's transformative power enables the economic and social growths that is making it an essential tool for empowering people, technological and service innovation, and enhancing business processes as well as developing the society as a whole. Nepal's internet speed is closely tied to its service sectors, as it is very much related to tourism. Nepal has already connected with the Chinese broadband internet system by optical fiber via the Rasuwagadi border point. Nepal Telecom, through China Telecom Corporation, has now direct link with one of the world's biggest data centres in Hong Kong (Zhang, 2016).

Power Generation and Transfer Connectivity

Nepal has enormous potential for generating hydroelectricity from its steep and perennial snow-fed rivers running down from the Himalayas (World Bank, 2019). Trans-Himalayan transmission lines for electricity must be a consideration in the connectivity aspect, as they will connect the Nepali electricity grid with the Chinese electricity grid, facilitating the export and import of electricity between the two countries (Council on Foreign Relations, n.d.). Under the multi-sectoral development model of the BRI, large-scale multipurpose projects for hydropower and irrigation can be developed. These projects can be expected to have the potential to boost Nepal's agricultural productivity while meeting the energy demands of both Nepal and China (Singh, 2019).

Integration of Financial Activities and Institutions

One objective of the BRI is to extend cooperation and exchange of information on banking regulations (Asian Infrastructure Investment Bank, n.d.). If the region wants to be financially integrated, a currency stability system, investment and financing system, and credit information system are essential (State Council Information Office, n.d.). The Asian Infrastructure Investment Bank (AIIB) has started functioning as a facilitator in investment requirements in BRI. In addition, improved regulations will be necessary for increased cross-border exchange and cooperation between credit rating institutions and systems (Singh, 2019). Financial markets can be closely linked through financial integration (World Bank, 2019). The system will allow Nepali financial institutions to grow and adopt successful financial products (RAND Corporation, 2018). This will allow the flow of cross-border capital and increase international participation in the national financial market. Financial integration can help capital-poor countries like Nepal to diversify from their production bases, which mostly depend on agricultural activities, thus reducing macroeconomic volatility (Anderson, 2022).

Foreign Direct Investment (FDI), an important factor to boost the economy, is a major tool that every country is using in today's world, and similarly, investors are keen to invest with good prospects. With the same vision, Nepal is undergoing efforts to liberalize various sectors for foreign investment, including tourism, banking, trade, transport, and communication. This investing environment is leading China to increase its investments on a yearly basis in Nepal. The concept of BRI will help create more investment, as outlined in Nepal's national development strategy (Bhandari & Gautam, 2021).

Policy Coordination

China sees Nepal as the most viable link between China and the rest of South Asia (Council on Foreign Relations, n.d.). There have been talks of trilateral treaties between India, Nepal, and

China, which certainly will require coordination at the policy level. This issue was raised and discussed between the foreign ministers of China and Nepal during the visit of Nepali Foreign Affairs Minister Mr. Pradeep Gyawali to China from 16–21 April 2018 (Nepal Ministry of Foreign Affairs, 2018).

Developing People-to-People Connectivity

Nepal-China relations can be traced back to the 5th century, and the official diplomatic relations have now crossed over 60 years (Anderson, 2022). Nepal plans to elevate this relationship by participating in the Belt and Road Initiative (BRI). The envisaged project has stronger people-to-people relations as one of its aims. Building trust between trading sides is crucial for a sustainable partnership, and hence, BRI aims to ensure no skepticism between the member states (Council on Foreign Relations of China, 2018). In addition, the Government of Nepal can develop a coordinated mechanism with the Chinese government for the regular flow of information, exchange of plans, and views for the accomplishment of the projects (RAND Corporation, 2018). The Chinese government should not only arrange financial support from international financial institutions like Silk Road funds, BRICS, and AIIB but will also have to assist Nepal by providing financial assistance for the implementation of BRI projects (Bhattacharya, 2019).

Challenges and Limitation of BRI in Nepali Context

Domestic Challenges

Security Concern

BRI can cause souring relations with India, as it is a major trading partner for Nepal due to its geopolitical challenge of being a landlocked country. Nepal and India are more engaged in people-to-people connectivity, such as religious and cross-border marriages. Currently, Nepal is suffering from a trade deficit that equals the budget of a fiscal year, which is already higher than the total trade deficit the country has faced in any fiscal year in terms of trade relations with India. The surge in imports of products like petroleum products, iron and steel, and automobiles and machinery items by more than 40 percent is one of the reasons that shot the trade deficit to the highest levels to date (Sharma, 2018).

Political Situation

Nepal is consistently transitional and suffering from instability which is a major challenge (Sapkota, 2017). In addition to it, the Belt and Road trade routes could be used by non-state actors for spreading extremism/terrorism, transnational crimes, smuggling weapons, Narco-economy, human trafficking, black marketing and cultural invasion. Due to interconnectedness, handling of large influx of population will be problematic for landlocked and least developed states like Nepal.

Trade and economic connectivity can be a deterrent to war and conflicts. Nepal will be the nearest and safest transit route and gateway for south Asia. Violent non state actors can take undue advantage by using it as a launching pad for flourishing extremist activities. Nepal and South Asian nations have to maintain balanced diplomacy by preserving interdependence, sovereignty and economic development (Bhattarai, 2016). Hence the region can be developed through cooperation, not competition.

Economic Viability

Nepal has an opportunity to create a bridge between China and rest of South Asia as geographical location of Nepal provides the opportunity as it connects China which offer 184 of 312 passages and major Node links to silk route economic belt of BCIM and CPEC corridors passes through Nepal and to take that into advantage is again a major challenge. To enhance the industrial capability of the country, Nepal requires big investment and increased capability in terms of economic threat bearing. Nepal's economy is basically an agriculture-based small economy, which will not be sufficient to invest in the mega projects under BRI. As per the BRI understanding and model all the economic activities will be governed by a market economy which really will be a supply and demand chain. In this situation, the Nepali economy sometimes may not be capable of feeding the necessary economic inputs such as investment and technical support. In such a situation Nepal needs to have a bilateral negotiation with China to simplify such situations by providing soft loans and even economic assistance to support the BRI projects (Sapkota, 2017).

A major concern in Nepal is the financial viability of BRI projects, given the country's relatively low GDP and high poverty rate. Critics argue that Nepal may incur unsustainable debt by taking on large-scale Chinese-funded projects. There have been calls for greater scrutiny to avoid the "debt trap" dilemma that has affected other BRI participants in smaller countries. Nepal's internal political landscape has also influenced the implementation of BRI projects. Political instability, frequent changes in government, and differing priorities between Nepal's major political parties have led to delays and uncertainties in decision-making. The ruling coalition's stance on the BRI has varied, and there have been instances where certain projects have been put on hold or renegotiated (Nepal Economic Forum, 2021)

Social Impacts

Nepal could be the hub of China and the rest of South Asia for cultural and religious exchange, as the BRI will provide the passages for thousands of religious tourists. Fragile passages can result in acculturation, leading to an increase in religious conversion activities in Nepal. Lootings, kidnappings, the use of small arms and explosives, an increase in drug use, and attacks on cultural activities by newcomers may increase in the country, creating a challenge for the government (Sharma & Adhikari, 2019).

Legal Aspects

Nepal has consistently practiced the policy of neutrality and non-engagement in the power block. Foreign policy adopted by Nepal is conducive for economic ties between Nepal, China and India. Among all of them, the rapid psyche of yam is providing Nepal a better opportunity with an indirect benefit which will lead to political stability and harmony among the people (Li, 2017). Political situation in Nepal is constantly changing and suffering from instability and lack of decision to implement the memorandum of understanding signed by the parties is a major legal hurdle. There are so many rules, regulations and laws relating to international trade, foreign direct investment and so on which are not friendly to open markets and investment policy. Amending them on time is a challenge to the government.

Informational Challenges

Grand projects under the BRI will help connect landlocked Nepal with China and other parts of the world by utilizing both of its neighbors' facilities. Once connectivity is increased, the ability to disseminate information will also automatically increase. With the present infrastructure, Nepal will face the challenge of balancing the flow of information between China's active policy of creating a community with a shared future for mankind, contrasted by the disengagement policy of the US and the active engagement policy of India. Limited information on geography, demography, economy, finance, and livelihoods will pose problems for planning and implementing BRI projects (Thapa & Shrestha, 2020).

Regional Challenges

Geopolitical Sensitivity

Nepal's participation in the BRI has raised concerns in India, which views the initiative with suspicion due to the growing Chinese presence in the region. India has expressed apprehensions that BRI projects in Nepal may shift the country's foreign policy orientation and increase its dependence on China.

In the Indian version, there is a sovereignty issue for India with the Belt and Road initiative as the CPEC passes through POK (Tanvi, 2016). The objection of India taking part in BRI will have adverse effects on the Nepali Economy as economic blockade in the past adopted by India, especially, had created an anti Indian sentiment towards the local populace and the helping hand provided by China in terms of crisis had increased the credible partnership of China (Tao, 2015). The rise of the strategic partnership of India and USA, and the formation of QUAD group all signify the counter strategy adopted by India to balance China especially in the Asia Pacific region. Besides that, India will try to act as a big brother role to dominate the SAARC region (Ibid). Apart from this, Japan can also be considered as an affecting factor in implementing the BRI projects in Nepal.

International Challenges

The USA is suspicious about the hidden strategic goals of the BRI, as indicated in its rebalancing strategy in the Asia-Pacific region (Morky, 2016). Especially to counter China's influence in the Asia-Pacific region, the USA has increased its strategic partnership with India, cutting its ties with Pakistan, and strengthening its influence in Afghanistan. Therefore, America's common interest with India and Japan conflicts with China's interests. Directly or indirectly, the USA will influence Nepal, particularly through India, in its involvement in the BRI. The European Union has also been attempting to impose its agenda on the Nepali government and society, both directly and indirectly, through the use of international non-governmental organizations (INGOs). The activities carried out by the EU in Nepal in the past decade give the impression that they are more concerned with the conversion of Nepali people to the religion they prefer. The union is not very supportive of China's Belt and Road Initiative and will likely attempt to obstruct development projects by leveraging its NGOs/INGOs working in Nepal and lobbying with India to create difficulties in the import and transportation of required materials for BRI projects (Kumar & Gupta, 2019).

Limitation of BRI

Besides challenges, there are also certain limitations that exist in accomplishing the BRI projects, basically in the context of Nepal. Following are the few observed ones.

Inaccessible Terrain

The northern region of Nepal has been occupied by the Himalayan ranges, which are by nature hostile. The weather and climatic conditions cause some of the roads to be closed during winter as they get blocked by snow. Although advancements in technology can overcome these challenges, the manpower and funding required will still be huge. The hostile geography itself is one of the obstacles to BRI projects in Nepal (Bhandari & Sharma, 2020).

Cultural and Language Barrier

Culture and language are significant barriers to the progress of BRI. Efforts must be made in the region for mutual understanding of culture and language for the success of BRI. Cultural invasion can also be a concern. The challenge for smaller countries is to maintain and protect their culture after the influx of trade and people due to the BRI (Bista, 2018).

Policy Implementation

There are common concerns and unique issues, such as the dynamics of state relations, which are changing every day, the rise of terrorism, extremism, and transnational issues. In the context of Nepal, the government is unstable, with policy changes occurring with each new administration. Initially, Nepal must manage its internal issues and begin using its position as leverage (Adhikari & Ghimire, 2020).

Transnational Crimes

As the BRI will connect 65 countries, crimes may also transcend borders. Common issues such as narcotics, drug trafficking, human trafficking, terrorism, weapon smuggling, and more will likely rise. To combat these issues, connected countries must work together. The BRI is not only regional connectivity for development, but also connectivity for the actors working against the state (Gupta & Rai, 2019).

Skill Development

Every country has a different absorption capacity, and Nepal, as the least developed nation, has a comparatively lower absorption capacity. Lack of skilled manpower, infrastructure, tools, and equipment, slow bureaucracy, and red tape are some of the issues. At first, Nepal must increase its capacity for the BRI initiative to be successful (Khanal & Poudel, 2018).

Confidence among Members

The BRI initiative should be viewed as a strategic initiative for mutual development. Therefore, China needs to increase soft power and positive media attention. Sufficient confidence-building measures should be developed by China among its stakeholders to demonstrate that it is an initiative of mutual development, not a strategy, and that participation is voluntary, not compulsory (Zhang & Li, 2020).

Foreign Direct Investment for Development

BRI projects will require a huge amount of funding for their implementation. The Nepali economy will not be sufficient to manage the huge investment required for the mega projects under the BRI. The Chinese government should not only arrange financial support from international financial institutions around the world, like Silk Road funds, BRICS, and AIIB, but will also have to assist the Nepali government by providing financial support to implement the BRI projects. Nepali and Chinese private sectors should be encouraged to invest in the projects under the BRI (Bhattarai & Acharya, 2019). Several BRI projects in Nepal have faced delays, both due to logistical issues and disagreements over financing terms. The China-Nepal railway, for instance, has not progressed as quickly as originally planned. Additionally, cost overruns in some infrastructure projects have raised doubts about the overall feasibility of the initiative (Foreign Affairs Review, 2021).

Environmental and Social Impact

Concerns have also been raised regarding the environmental and social impacts of large-scale BRI projects, particularly in a country like Nepal, which is highly vulnerable to natural disasters. Projects like dams and railways may affect local communities, disrupt ecosystems, and contribute to deforestation. Ensuring that BRI projects adhere to environmental and social safeguards remains an ongoing challenge (SAARC, 2023).

The fast-growing adverse effects of climate change on the Himalayan region are a common concern and challenge for Nepal, China, and India. None of these countries remain untouched by the effects of human-induced climate change in the Himalayan region. India will be affected the most by this climatic effect, as the decreasing levels of Himalayan glaciers will result in reduced quantities of water flowing to India (Shrestha et al., 2018). By participating in the BRI, both Nepal and India can collaborate with China to protect the southern slope of the Himalayas from the adverse effects of climate change. The three countries can work together to make this region ecologically sustainable and economically prosperous (Sharma & Raut, 2020).

Conclusion

The Belt and Road Initiative, a process aimed at peaceful development, is a door of opportunities for the economic progress of countries around the Belt and Road. This can be a path of development through peace and negotiation between countries sharing an equal amount of benefit. This can be the harmonious process of working together for maintenance of peace and promoting common development. This can create a hope of light for the countries in South Asia, Central Asia, South East Asia, and Europe. Moreover, Nepal's strategic location south of China provides a significant opportunity to foster its economic growth and development through leveraging modern China's resources and technology. The Belt and Road Initiative (BRI) represents an unprecedented opportunity for Nepal to unlock its economic potential through enhanced connectivity and infrastructure development. Positioned strategically between two global powers, China and India, Nepal has the prospect of transforming its geographical challenges into economic advantages. Furthermore, the BRI's multi-modal connectivity encompassing rail, road, air, and sea links provides a rare opportunity for Nepal to enhance its access and reach for goods, services, and people in regional and global markets.

The BRI's emphasis on multi-sectoral development aligns well with Nepal's ambitions for growth in key areas such as hydropower, irrigation, and tourism. Large-scale multipurpose projects can significantly boost agricultural productivity, generate surplus energy for export, and promote ecotourism, all of which can contribute to Nepal's economic diversification and resilience. Moreover, such improved infrastructure connects remote areas to economic centers, further mobilizing the hill economy and minimizing the regional disparities. Despite these opportunities, Nepal faces complex challenges due to its geopolitical position. Nepal must carefully navigate the strategic sensitivities of its allies and neighbors, such as the USA, India, and China, whose the influences shape global economic and political dynamics. Increased global concern towards involvement of Nepal in BRI necessitates Nepal to carefully balance its action and have transparency in decision-making to safeguard its national sovereignty and interests.

The future of the BRI in Nepal largely depends on how the country navigates its relationship with China, manages the risks associated with debt, and balances its geopolitical relations with neighboring India. If managed effectively, the BRI could provide significant economic benefits through infrastructure development, greater trade, and regional integration. However, execution of BRI projects in Nepal necessitates careful planning, transparency in the process, and robust engagement with local stakeholders to ensure a positive outcome and long-term sustainability. The BRI is resulting in a 'One Economic World' or "Silk Road World Order" containing major components of the world, among which Nepal lies on one of the sub-routes of this great venture. Considering BRI's multi-dimensional importance, Nepal must accelerate its development along the pace of BRI by utilizing its own resources and using the markets of both India and China. As Nepal possesses multiple transit points providing the shortest and most accessible routes between China and India, it presents both economic opportunities and security challenges.

Successful implementation of BRI projects in Nepal will require robust governance, meticulous planning, and active engagement with all stakeholders. Addressing concerns related to environmental sustainability, debt management, and equitable development will be crucial. If managed prudently, the BRI can catalyze Nepal's economic transformation, positioning it as a thriving hub in South Asia. Ultimately, the BRI offers Nepal not only infrastructure and connectivity but also a pathway to sustained growth, regional integration, and global relevance. Hence, as Nepal treads the path of the BRI, it should negotiate its way through the challenges and expedite the opportunities that lead it towards progress and prosperity.

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