International Relations · GS - II

India–Nepal economic cooperation has the potential to transform their geographical proximity into shared prosperity. Analyse the role of cross-border energy, trade and connectivity projects in strengthening bilateral relations.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 20/11/2026	GS - II	International Relations

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Neighbourhood First Policy, hydropower potential, electricity trade, cross-border petroleum pipelines, railway connectivity, trade facilitation, infrastructure investment, employment generation, environmental safeguards, project implementation, mutual trust.

Model Answer

Introduction

India and Nepal share deep economic interdependence, geographical proximity and open-border ties. Cooperation in energy, trade and connectivity can transform these traditional links into a modern development partnership.

Major Areas of Cooperation

1. Energy cooperation

- Nepal's hydropower potential can supply clean electricity to India, supporting energy security and renewable-energy targets.

- Cross-border transmission lines and long-term power trade agreements can generate revenue for Nepal and diversify India's energy sources.

2. Trade and infrastructure

- Integrated check posts, road networks and railway links can reduce transportation costs and improve market access.
- Cross-border petroleum pipelines, such as Motihari–Amlekhgunj, demonstrate the benefits of infrastructure-based cooperation.
- Trade facilitation can strengthen regional value chains and encourage private investment.

3. Regional connectivity

- Railway and road projects can connect Nepal's landlocked economy with Indian ports and wider regional markets.
- Improved connectivity can promote tourism, employment and people-to-people exchanges.

Challenges

Project delays, financing constraints, environmental concerns, political sensitivities and periodic bilateral disagreements can weaken implementation. Nepal's landlocked geography also makes transit cooperation particularly important.

Way Forward

Both countries should ensure transparent project execution, predictable investment arrangements, environmental sustainability and regular institutional dialogue. Local communities must also benefit from cross-border infrastructure.

Conclusion

Energy, trade and connectivity cooperation can create a mutually beneficial partnership. Sustained implementation based on mutual respect and sovereign equality will be essential for translating bilateral commitments into shared prosperity.