International Relations · GS - II

Evaluate the potential of energy, infrastructure and digital technology cooperation in transforming India-Nepal relations. What challenges must both countries address to ensure sustainable and mutually beneficial regional integration?

EXAM YEAR	PAPER	SUBJECT
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MARKS	WORD LIMIT
15	~250 words

Answer Hint

Hydropower potential, cross-border electricity trade, connectivity, digital public infrastructure, economic interdependence, geopolitical sensitivities, project implementation

Model Answer

Introduction

India and Nepal share geographical proximity, historical links and extensive economic interdependence. Cooperation in hydropower, infrastructure and digital technology can strengthen bilateral relations while supporting broader regional integration in South Asia.

Potential of Sectoral Cooperation

1. **Energy security:** Nepal's hydropower potential can support India's growing electricity demand, while electricity exports can generate revenue and investment for Nepal.

2. **Infrastructure connectivity:** Railways, roads, integrated check posts and transmission lines can reduce logistical costs, facilitate trade and improve access to markets.

3. **Digital cooperation:** Collaboration in digital payments, telecommunications and digital public infrastructure can improve financial inclusion and cross-border economic transactions.

4. **Economic integration:** Better connectivity can expand tourism, employment, investment and supply-chain linkages between the two countries.

5. **Strategic partnership:** Interdependence in energy and infrastructure can strengthen mutual confidence and support India's neighbourhood-first approach.

Major Challenges

1. **Project delays:** Land acquisition, financing, environmental clearances and implementation difficulties can slow infrastructure development.

2. **Political sensitivities:** Differences over border-related issues and domestic political considerations can affect bilateral trust.

3. **Asymmetry concerns:** Nepal may seek greater economic autonomy and balanced benefits in its engagement with a larger neighbour.

4. **Environmental concerns:** Hydropower projects must account for ecological flows, displacement, biodiversity and disaster risks in the Himalayan region.

5. **External geopolitical influence:** Competition among external powers can complicate regional infrastructure and strategic cooperation.

Way Forward

1. Establish transparent project agreements with equitable benefit-sharing mechanisms.

2. Strengthen regular bilateral dialogue and institutional coordination.

3. Promote environmentally sustainable hydropower and climate-resilient infrastructure.

4. Expand digital interoperability while ensuring data protection and cybersecurity.

Conclusion

India-Nepal cooperation can move beyond traditional diplomatic engagement towards deeper economic and technological integration. Mutual respect, transparent implementation and shared developmental

gains are essential for a stable and sustainable partnership.

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