

China's Belt and Road Initiative: Implications for Indo-Nepal Water Relations and
Regional Geopolitics



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China's Belt and Road Initiative (BRI) holds a significant impact on Indo-Nepal relations, especially in the realm of its water relations. Nepal's engagement with China through various BRI projects has implications on India's strategic interests and water security in the region. On account of its economic aspirations, Kathmandu joined the Belt and Road Initiative in 2017 to benefit from Chinese investment in developing its infrastructure and improving connectivity. Consequently, the majority of BRI projects in Nepal consist of road networks, hydropower projects, and trans-Himalayan connectivity initiatives. These projects reflect Nepal's aspirations for economic independence and diversification of its foreign policy, indicate a shift in the country's traditional reliance on India. Meanwhile, India is concerned about China's growing influence in its immediate neighbourhood.

Hydro politics as an epicentre for contention

Hydropower development is one of the major components in the BRI's plan for Nepal. It is significant to highlight that the rivers flowing through the mountains of Nepal into India have been both a point of contention as well as cooperation between India and Nepal. Both states have strived to harness these rivers for hydropower and maximum utilization of their water. Water Diplomacy can be at the forefront of creating peace and cooperation in the South Asian region. However, with China's investment in Nepal's hydropower sector under the BRI, India faces potential competition in water management without any trilateral (India-Nepal-China) or bilateral (India-China) concrete deliberation or agreements. Nepal's participation in BRI has brought a shift in the regional power dynamics. After the 2015 alleged blockade imposed on Nepal by India, Kathmandu has been encouraged to look for an alternative to its dependence on India. Furthermore, this step has increased Nepal's geopolitical agency by positioning itself as a bridge between India and China. On the one hand, this could be a potential opportunity for formulating a trilateral water treaty for the benefit of the entire Himalayan region and a better utilization of water resources with regard to anthropogenic climate change. Also, this development empowers Nepal while enhancing its role as more than a buffer state between India and China.

However, China's presence could further complicate the already dynamic water relations between New Delhi and Kathmandu. Nepal has always felt that the water treaties between the states have historically favoured India, making it a significant domestic political issue. These sentiments might amplify and further push Kathmandu towards Chinese investments. This shift may challenge long-standing technical and policy frameworks that govern water-sharing mechanisms in India and Nepal. India's role in the Himalayan region has been that of a security partner and a significant economic ally. With the BRI, however, China is establishing itself as an alternative that has the potential to hamper India's water demands and its negotiation capability. China's expanding influence may create a hostile environment for each state to pursue a more individualistic policy and align water management decisions with its developmental priorities. Furthermore, any large-scale Chinese infrastructure project near transboundary water bodies could raise security concerns for India, influencing India's stance and creating friction in India-Nepal-China relations in the absence of any trilateral water management mechanisms. These developments present an opportunity for collaboration and establish a trilateral framework that encourages cooperative management of shared water resources. It is essential to establish a multilateral approach to significantly enhance regional resilience against climate change, which is intensifying in the Himalayas and affecting river systems. Such a framework is still a very distant dream considering India's refusal to be a part of BRI and Beijing's lack of respect towards India's sovereignty and territorial integrity with regard to the China-Pakistan Economic Corridor. (CPEC) Beyond political and economic implications, the environmental impact of BRI projects on shared rivers poses additional concerns. BRI-led hydropower projects may alter the flow of rivers and affect ecosystems downstream, potentially impacting water quality, sediment transport, and flood patterns that affect Indian territory. India has previously raised concerns about projects that could exacerbate flooding or change seasonal water flows, impacting agriculture and communities along the India-Nepal border. If environmental safeguards are not carefully implemented, the BRI projects could lead to significant ecological disruptions, heightening tensions between India and Nepal.

Conclusion

The Belt and Road Initiative is set to transform Nepal's infrastructure and economic landscape, with significant ramifications for India-Nepal water relations. As Nepal deepens its ties with China, India may face challenges to its traditional influence in the region, especially regarding water diplomacy. The BRI offers Nepal transformative economic opportunities, but it also increases potential dependencies on China. Yet, for Nepal, the BRI has fostered a sense of agency and an alternative pathway to economic sovereignty and regional integration, reshaping its position in the broader geopolitical landscape. However, balancing development needs with geopolitical sensitivities is crucial for both India and Nepal, recognizing their mutual dependence on the Himalayan River systems. India and Nepal's water relationship, already complex, now stands at a crossroads where cooperation and conflict are both possible paths forward.