



## **KASTHAMANDAP DIALOGUE**

### *Series-I*

### **The BRI Meets Nepal: A Prosperous Future of Nepal-China Cooperation**

March 15-16, 2025, Kathmandu, NEPAL

- **Dr. Shankar Khatiwada**

The inaugural session of the Kasthamandap Dialogue, titled **The BRI Meets Nepal: A Prosperous Future of Nepal-China Cooperation**, was successfully held on March 15-16 in Kathmandu, serving as a great platform for discussions on Nepal-China cooperation under the Belt and Road Initiative (BRI). Organized by the Foundation for Peace, Development, and Socialism (FPDS), the event aimed to strengthen strategic partnerships for Nepal's sustainable development. The dialogue saw the participation of approximately 600 policymakers, academics, and experts who engaged in thought-provoking speeches, survey and research presentations, and interactive panel discussions.

#### **Opening Session**

The opening ceremony was chaired by FPDS President Dr. BK Man Singh, with Dr. Mandira Singh Shrestha as the master of ceremonies. Dr. Shankar Khatiwada, a member of FPDS, welcomed the attendees, emphasizing the symbolic representation of the Kasthamandap pavilion as a metaphor for unity and dialogue in alignment with BRI's principles of inclusivity and shared prosperity. He called for transparent and inclusive discussions to ensure that BRI projects align with Nepal's national interests. The event was formally inaugurated by the Chief Guest, Rt. Honorable Speaker Devraj Ghimire, through the traditional lighting of the Panas. Following the inauguration, Dr. Santosh Sharma Poudel presented the findings of a BRI survey conducted in January 2025.

The chief guest Rt. Honorable Speaker Devraj Ghimire highlighted the significance of the dialogue in fostering Nepal-China collaboration. He noted that the BRI is not just an infrastructure project but a platform for building relationships and trust, emphasizing the

need to align policies with Nepal's national interests for maximum benefit. Honorable Jhala Nath Khanal, former Prime Minister and keynote speaker, reinforced that the BRI is a proposal of mutual interest, not just China's. He expressed optimism about its implementation and its potential to transform Nepal's economic and developmental landscape while strengthening Nepal-China ties.

His Excellency Chen Song, the special guest of the event, reaffirmed China's commitment to enhancing Nepal's development through the BRI. He underscored the progress made in Nepal-China cooperation, particularly in cross-border infrastructure, energy projects, and cultural exchanges. He highlighted the BRI as a platform for mutual benefit and win-win cooperation, reinforcing the historical and cultural ties between the two nations.

Dr. BK Man Singh concluded the opening ceremony with a brief address, underscoring the Kasthamandap Dialogue's significance in fostering meaningful discussions for Nepal's future development.

### **Session I: Understanding the BRI**

Session I of the Kasthamandap Dialogue, titled "Understanding the BRI," was moderated by Prof. Dr. Yubraj Shangraula and provided diverse perspectives on the Belt and Road Initiative. In this session in-depth presentations were given by prominent scholars and experts. Prof. Dr. Dinesh Raj Bhujju of the Nepal Academy of Science and Technology (NAST). He provided a comprehensive overview of the BRI as a modern Silk Road vision. He emphasized its potential to enhance trade, connectivity, and cultural exchange, drawing parallels between the ancient Silk Road and the transformative opportunities the BRI presents for Nepal. "The BRI is not just about infrastructure; it is about creating a shared future for all participating nations," he remarked. Prof. Dr. Huang Yunsong from Sichuan University, China, offered a holistic perspective on the BRI, highlighting its multidimensional impact on global trade, regional integration and sustainable development. He stressed the importance of understanding the BRI beyond its economic dimensions, noting its role in fostering people-to-people ties and mutual understanding. "The BRI is a platform for collaboration, innovation, and shared growth," he said. Prof. Dr. Zhang Shubin, Director of the Nepal Study Centre at Hebei University of Economics and Business, elaborated on the win-win prospects of Nepal-China cooperation under the Belt and Road Initiative (BRI). He highlighted that the BRI serves as a vital platform for enhancing bilateral ties, fostering economic growth and promoting regional connectivity. Furthermore, Prof. Zhang underscored the importance of cultural and educational exchanges in strengthening people-to-people bonds and mutual understanding between the two nations. He expressed optimism that Nepal-China cooperation under the BRI would not only boost Nepal's economic development but also contribute to peace, stability, and prosperity in the broader South Asian region. Former Nepali Ambassador to China, Mr. Tanka Prasad Karki, underscored the importance of the BRI in driving Nepal's economic prosperity. He shared

insights from his diplomatic experience, emphasizing the need for Nepal to align its development goals with the opportunities presented by the BRI. "The BRI is a gateway for Nepal to integrate into the global economy, but it requires careful planning, transparency, and strong governance," he said. The session concluded with a lively discussion on the implications of the BRI for Nepal's development, with participants emphasizing the need for inclusive policies and stakeholder engagement to ensure the benefits of the initiative reach all segments of society.

### **Session II: Opportunities and Challenges of BRI Implementation in Nepal**

The afternoon session delved into the practical aspects of the BRI, with a focus on identifying opportunities and addressing challenges. Moderated by Prof. Dr. Dinesh Raj Bhujju, the session featured insightful presentations from distinguished experts, addressing both the potential and obstacles associated with BRI projects in Nepal. Prof. Dr. Yubraj Sangroula, a senior advocate and professor at Kathmandu School of Law, provided a detailed analysis of the 2017 Nepal-China BRI agreement. He highlighted its special features, including provisions for infrastructure development, trade facilitation, and cultural exchange. "The agreement is a milestone in Nepal-China relations, but its success depends on effective implementation and mutual trust," he noted. Prof. Yang Yabo, Director of the Institute of South Asian Studies at XASS, China, discussed the opportunities outlined in the China-Nepal Joint Statement. He emphasized the potential for Nepal to become a regional hub for energy, trade, and tourism under the BRI. "Nepal's hydropower potential, coupled with China's expertise in infrastructure development, can transform the country into a key player in South Asia's energy market," he said. Dr. Surya Raj Acharya, an expert in infrastructure and public policy, addressed the challenges Nepal faces in implementing BRI projects. He highlighted issues such as financing, technical capacity, and environmental sustainability, calling for a coordinated approach to overcome these hurdles. "The BRI offers immense opportunities, but we must address the challenges head-on to ensure its success," he asserted. Mr. Wei Zisong, Assistant General Manager of SCIG, presented on the Marsyangdi River Basin Energy Hub, a key BRI project aimed at transforming Nepal's energy sector. He outlined the project's potential to generate clean energy, create jobs, and boost economic growth. "This project is a testament to the power of collaboration under the BRI, and it will serve as a model for future initiatives," he said. Former Ambassador Lila Mani Poudel countered misconceptions about the BRI, emphasizing its potential to benefit Nepal if implemented effectively. He addressed concerns about debt sustainability and geopolitical implications, arguing that the BRI is a tool for mutual benefit rather than a means of exerting influence. "The BRI is about partnership, not dependency. It is up to us to shape its outcomes in a way that serves Nepal's interests," he stated.

### **Session III (a): The BRI Cooperation between Nepal and China: Ideas and Suggestions**

The third session of the Kasthamandap Dialogue centered on "The BRI Cooperation between Nepal and China: Ideas and Suggestions." Moderated by Mr. Lila Mani Poudel, this session featured a series of expert presentations exploring the evolving global landscape and the role of the BRI in fostering sustained Nepal-China cooperation.

Dr. Khagendra Prasai, Associate Professor and Dean at Nepal Open University, urged intellectuals to analyze the BRI from a historical materialist perspective, emphasizing the shifting global geopolitical dynamics based on capitalism. He noted that capital is moving from the West to the East, and South Asia is experiencing this transformation. However, Nepal has failed to grasp these dynamics. He argued that the world is becoming multipolar and experiencing "BRization," with even NATO members participating, which could lead to greater global economic equalization. He advocated for rephrasing "Belt and Road Initiative" to "Belt and Road Cooperation" to reflect its maturity. He contrasted Western aid with BRI, stating that while Western assistance imposes values and maintains a colonial mindset, the BRI transcends nationalism, political systems, and civilizations without imposing conditions. He further noted that India's perception of Nepal as its backyard has hindered the BRI's implementation.

Dr. Huang Zhengduo, Associate Professor and Director at the Nepal Study Center, Sichuan University, China, emphasized the necessity of earning US dollars for international trade. He suggested that Nepal should attract foreign investment, increase labor remittances, boost tourism, and export electricity by leveraging its geographical advantages. He highlighted the benefits of BRI in enhancing production, competitiveness, eco-industry, agriculture, irrigation, digital economy, cloud computing, and high-power consumption industries.

Dr. Mahesh K Maskey, former Ambassador of Nepal to China, narrated the historical evolution of the BRI, describing how China envisioned and implemented the initiative. He presented a Silk Road map and urged Chinese scholars to incorporate three Silk Road routes linking Nepal and China through the Himalayas. He cautioned that if BRI does not create win-win situations, conflicts could arise. He highlighted the importance of integrating Nepal's tourism industry with Tibet's growing tourism sector and expressed optimism about the Chengdu-Lhasa-Pokhara flight route and potential cooperation between India and China. He emphasized Nepal's non-aligned approach with the motto, "Enmity to none, friendship to all."

This session fostered dynamic discussions on how Nepal and China can navigate the complexities of global change to build a resilient and mutually beneficial partnership under the BRI framework.

### **Session III (b): The BRI Cooperation between Nepal and China: Ideas and Suggestions**

The session III (b) was Moderated by Mr. Lila Mani Poudel as well, this session featured a series of expert presentations exploring the evolving global landscape and the role of the BRI in fostering sustained Nepal-China cooperation. Mr. Prakash Suvedi emphasized Nepal's historical ties with China and identified the BRI as a logical extension of this relationship, highlighting its principles of joint consultation, pragmatic cooperation, and improved policy environments. He outlined key areas of cooperation, including economic development, financial systems, connectivity, health, education, customs, and people-to-people exchanges, while noting the MoU framework's inclusivity toward other partnerships. Dr. Lila Nyachyai reflected on the aspirations raised by the BRI over its 10-year implementation period, acknowledging its role in strengthening ties and serving humanity. She highlighted challenges such as topography, transparency, geopolitics, policy gaps, and politicization and expressed hope for strengthened connectivity with both India and China under the BRI framework.

Dr. Lilamani Pokharel described the BRI as an initiative opposing imperialism, colonialism, and expansionism, with objectives to promote peace, trade, investment, cultural exchange, and people-to-people cooperation. He attributed delays in implementing BRI infrastructure projects to weak leadership vision, bureaucratic hurdles, political apathy, western influence on Nepal's state mechanisms, weak diplomacy, and external pressure. He also highlighted the challenges posed by competing initiatives like IPS and SPP, which aim to strengthen military cooperation and strain Nepal-China relations.

Dr. Zhang Jianghong underscored the importance of Xizhang (Tibet) as a gateway for Nepal to China, presenting practical cooperation areas such as tourism, visa-free border travel, Buddhist cultural exchanges, trade-geographical advantages, and poverty alleviation. He noted that 32% of Nepal's trade with China in 2024 was conducted through Tibet, showcasing the region's strategic role in bilateral cooperation.

The conclusion of Session III: "The BRI Cooperation between Nepal and China: Ideas and Suggestions" highlighted a shared vision for strengthening Nepal-China relations under the Belt and Road Initiative (BRI). Discussions emphasized the potential of the BRI to promote peace, trade, investment, cultural exchange, and connectivity, while acknowledging challenges such as policy gaps, geopolitical influences, and bureaucratic hurdles.

#### **Report on Session IV: Panel Discussion, Views of Political Parties on the BRI**

The Kathmandu Dialogue featured a panel discussion on political parties' perspectives regarding Nepal's engagement with China's Belt and Road Initiative (BRI). Moderated by Dr. Khagendra Prasai, the session included representatives from Nepal's major political parties, Dr. Minendra Rijal (Nepali Congress), Mr. Surendra Pandey (CPN-UML), Mr. Dev Gurung (CPN-Maoist Center), and Mr. Rajendra Pandey (CPN-Unified Socialist) along with Chinese scholars Prof. Dr. Huang Yunsong (Sichuan University) and Prof. Yang Yabo (XASS). The

discussion covered BRI's opportunities, concerns over debt sustainability, and Nepal's strategic approach, followed by an interactive Q&A session. The moderator concluded by emphasizing the need for transparent negotiations, political consensus, and research-based policymaking for effective BRI implementation.

### **Concluding Remarks on Kasthamandap Dialogue, Series-I**

The Kasthamandap Dialogue, Series-I concluded with closing remarks by Honorable Jhala Nath Khanal, former Prime Minister of Nepal and Patron of the Foundation for Peace, Development and Socialism (FPDS). The two-day event, centered on Nepal-China cooperation under the Belt and Road Initiative (BRI), successfully brought together policymakers, experts, and stakeholders for constructive dialogue. In his closing address, Hon. Khanal commended the FPDS for organizing a platform that fostered meaningful discussions on regional connectivity, economic development, and strategic partnerships. He emphasized the importance of transparent and inclusive policymaking to maximize the benefits of BRI projects for Nepal. Reflecting on the insights shared during the dialogue, he expressed optimism about Nepal's potential to leverage BRI for infrastructure growth and cross-border collaboration while ensuring financial sustainability. The former Prime Minister also highlighted the need for continued dialogue, research, and political consensus to translate ideas into actionable policies. He thanked all participants, panelists, and organizers for their contributions and declared the successful conclusion of the Kasthamandap Dialogue, Series-I, setting the stage for future editions.

### **Press Meet Regarding Kasthamandap Dialogue, Series-I**

The Kasthamandap Dialogue Series-I culminated with an hour-long press conference featuring insights from Hon'ble Jhala Nath Khanal, former Prime Minister of Nepal, and Chinese scholar Prof. Dr. Huang Yunsong from Sichuan University. Khanal emphasized Nepal's cautious approach to BRI implementation, stressing the need for transparent agreements and debt sustainability, while Dr. Huang highlighted the initiative's potential for regional connectivity and mutual economic benefits. The session included a robust Q&A with journalists who raised pertinent questions about financial transparency, debt risk mitigation, and Nepal's balancing act in regional geopolitics. Experts responded by advocating for stronger negotiation frameworks, thorough feasibility studies, and a balanced foreign policy approach. This concluding press interaction effectively bridged the dialogue's academic discussions with practical policy considerations and public awareness, reinforcing the event's role in fostering informed discourse on Nepal-China cooperation under BRI.