

GOVERNMENT OF INDIA

MINISTRY OF EXTERNAL AFFAIRS

LOK SABHA

STARRED QUESTION NO. 310

ANSWERED ON 13/03/2026

STRATEGIC CHALLENGES TO NEIGHBOURHOOD POLICY

***310. SHRI BRIJMOHAN AGRAWAL**

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether the Government has assessed India's strategic influence in the neighbourhood following recent regime changes and rising sentiments in countries like Maldives and Bangladesh, if so, the details thereof;**
- (b) the diplomatic and security measures planned to counter the increasing Chinese "Dual-Use" maritime activity and infrastructure expansion in the Indian Ocean Region;**
- (c) the total budget allocation for 'Aid to Neighbours' in the 2026-27 Union Budget compared to the last three years;**
- (d) whether the Government has any proposal to shift from "Grant-based" aid to a "Project-Completion" model to address chronic delays in India-funded infrastructure in Nepal and Sri Lanka, if so, the details thereof; and**
- (e) the roadmap to formalize BIMSTEC as the primary regional alternative to the currently SAARC framework?**

ANSWER

MINISTER OF EXTERNAL AFFAIRS

(DR. SUBRAHMANYAM JAISHANKAR)

(a to e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) IN RESPECT OF LOK SABHA STARRED QUESTION NO 310 BY SHRI BRIJMOHAN AGRAWAL FOR REPLY ON 13.03.2026 REGARDING STRATEGIC CHALLENGES TO NEIGHBOURHOOD POLICY.

The Government is constantly monitoring all geopolitical developments, including those in its neighbourhood, that have a bearing on India's national interest. Amidst uncertainties and challenges of geopolitical tensions and shifting equations, the Government has taken steps to strengthen India's strategic position and protect its national interests.

Maldives continues to remain an important partner under India's 'Neighbourhood First' policy and Vision MAHASAGAR i.e. Mutual and Holistic Advancement for Security and Growth Across Regions. Presidential elections were last held in Maldives in 2023. Since then, President Dr. Mohamed Muizzu of Maldives visited India in October 2024 and Prime Minister Shri Narendra Modi visited Male as the 'Guest of Honour' on Maldives National Day in July 2025. The two sides adopted India-Maldives joint vision for Comprehensive Economic and Maritime Security Partnership during President Muizzu's visit.

Bangladesh lies at the converging point of India's "Neighbourhood First" policy as well as the "Act East" policy. India's approach to Bangladesh has always been and will continue to be focused on people-centric development. India views Bangladesh as an important neighbour and development partner in South Asia and seeks positive, constructive and forward-looking engagement with the newly elected Government of Bangladesh to advance the shared interests of the people of both countries in the political, security, economic and cultural domains.

The Government is aware that as part of its global strategy, China has been developing ports and other infrastructure facilities in the littoral countries in the Indian Ocean Region over many years. China also has naval and maritime presence in the Indian Ocean Region including through anti-piracy escort missions, port calls and deployment of research and survey vessels. Government closely monitors all developments in the Indian Ocean Region impinging on India's security and economic interests and takes appropriate measures to safeguard India's interests. India's relations with countries, including those of the Indian Ocean region, stand on their own footing and are independent of the relations of those countries with third countries.

The details of budget allocation under “Aid to Neighbours” from F.Y 2023-24 to 2026-27 are enclosed.

The Government deeply values its development partnership with neighbouring countries, including Nepal and Sri Lanka, and is fully committed to the timely completion of all the on-going bilateral development and infrastructure projects, both grants-based and loans-based. The Government has been extending necessary developmental assistance and capacity building initiatives, as per needs and aspirations of the neighbouring countries and works closely with the relevant authorities of partner countries to address any challenges in this regard.

Government of India has undertaken several India-funded infrastructure projects in Nepal across sectors including health, education and connectivity. These projects are funded through grant assistance or Lines of Credit and vary in scale, ranging from small development projects to large projects. India-funded infrastructure projects in Nepal are guided by relevant bilateral understanding/documents, which outline, inter-alia, the scope of cooperation, responsibilities of various stakeholders, project financing, timelines and monitoring mechanisms. Once a project is initiated, concerted efforts-including regular site visits, follow-ups with

contractors/consultants and periodic bilateral project monitoring meetings-are made to ensure its timely completion.

India's development cooperation with Sri Lanka is in accordance with the priorities of the Government of Sri Lanka and the needs of its people. India's overall assistance in this sphere amounts to more than USD 7.5 billion as concessional loans/swap arrangements and almost USD 850 million as grants. Financing modalities of India's initiatives are decided in conjunction with the Government of Sri Lanka and with an aim to ease the debt burden and assist in the economic recovery of Sri Lanka.

In line with its 'Neighbourhood First' policy, 'Act East' policy and MAHASAGAR vision, India has been working with its partners to strengthen regional cooperation in the neighbourhood. India has been taking several initiatives towards capacity and institution building in the BIMSTEC region, including providing grants to the BIMSTEC Secretariat, building Centres of Excellence in several areas, and organizing capacity-building and training programmes, business exchanges, youth exchanges, and cultural exchanges. India's approach and commitment towards enhanced regional cooperation in the BIMSTEC region are focused on strengthening security (both traditional and non-traditional including

maritime and cyber security, climate security, disaster preparedness, food security and human security) and increasing connectivity (trade, energy, transport, digital and people-to-people connectivity).

Budget allocation under “Aid to Neighbours” from F.Y 2023-24 to 2026-27

Total Budget Allocation for 'Aid to Neighbours' in FY 2026-27 Union Budget compared to the last three years					
Head		Budget allocation (Rs. in crore)			
		2023-24	2024-25	2025-26	2026-27 (Proposed)
Aid to Bangladesh		200.00	120.00	120.00	60.00
Aid to Bhutan	Grants	1632.24	1078.86	1775.00	1768.64
	Loan	768.34	989.70	375.00	519.92

Aid to Nepal		550.00	700.00	700.00	800.00
Sri Lanka- Other Aid Programmes		150.00	245.00	300.00	400.00
Aid to Maldives		400.00	400.00	600.00	550.00
Aid to Myanmar		400.00	250.00	350.00	300.00
Aid to Afghanistan		200.00	200.00	100.00	150.00
Total		4300.58	3983.56	4320.00	4548.56
