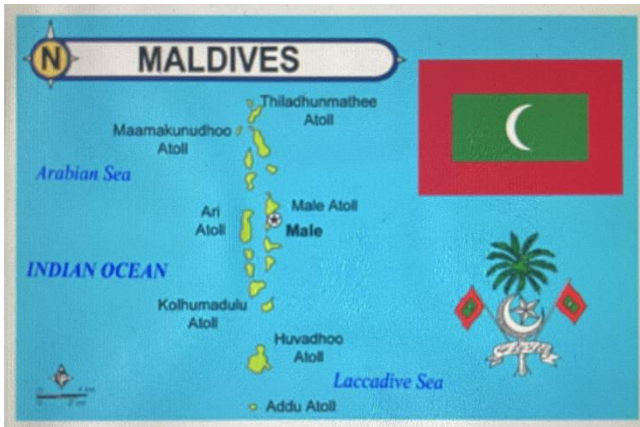


Places in News

India's Neighborhood

Maldives



China Maldives Friendship Bridge

- The **Sinamalé Bridge** links the islands of **Malé, Hulhulé and Hulhumalé** in the Maldives.
- The **1.39 km long bridge** has two car lanes and separate lanes for motorcycles, and pedestrians and opened on **30 August 2018**
- The bridge, an iconic China-Maldives co-building project for the 21st Century Maritime **Silk Road**, makes it possible for locals and tourists to travel between the two islands within five minutes.
- It is estimated the bridge had cost **US\$210 million**, of which **US\$126 million** will be paid by the Chinese government as a grant in aid.
- The idea of a bridge between the two islands of Malé and Hulhulé was first raised in 2007 and was supported by Former president Maumoon Abdul Gayoom in 2008.
- Construction of the bridge began in 2016. President Yameen inaugurated the Sinamale bridge on 30 August 2018.

China- Maldives Dynamics

- For China Maldives is a key link in its maritime silk road plan under the Belt and Road Initiative (BRI)
- In December 2017, Maldives Signed a Free Trade Agreement with China
- In 2012 relations between India and Maldives came under a strain after **Male had terminated the agreement it entered into with GMR in 2010 for the modernisation of the Ibrahim Nasir International Airport**
- India's concern is that China, with its strategic ally Pakistan, could use the Maldives as a strategic choke point for India
- New Delhi is wary of instability taking root in island nation where the radical Islamic State (IS) has been making inroads

Sina Male Bridge





China Maldives FTA

- The Maldives and China signed a bilateral free trade agreement (FTA) on 7 December 2017.
- However, it was stalled by the Ibrahim Mohamed Solih government, which succeeded the government of President Abdulla Yameen during whose tenure the FTA was signed, calling it a 'one-sided treaty'.
- The recent elections in the Maldives have led to a pro-China government taking office under President Mohamed Muizzu.
- The prospects of the FTA being implemented are quite bright now.
- The FTA had run into controversy right from the beginning.
- This was the first FTA signed by the Maldives.
- It was indeed surprising that it chose to do so with an economy with which its economic exchanges were entirely one-sided.
- Former president, Mohamed Nasheed, an advisor to the Solih government, had pointed to the glaring trade imbalance between China and the Maldives and the complete economic irrationality of a bilateral FTA.
- The Maldives is a heavily import-dependent economy. Its total imports were US\$3.5 billion (S\$4.6 billion) in 2022, while its exports in the same year were only US\$400 million (S\$531 million).
- Its trade deficit for the year was more than US\$3.1 billion (S\$4.1 billion).
- China accounted for 12.6% of the Maldives' total imports in that year.
- It was the 3rd largest source of imports for the Maldives in 2022 after Oman and the United Arab Emirates.
- While the latter countries account for the Maldives' large imports of energy products, China dominates the imports of non-oil manufacturing items and accounts for several agricultural and food imports.
- Higher imports from China will enhance the Maldives' trade imbalance with China and increase its overall trade deficit.
- With the Maldives' overall export earnings much lower than its expenditure on imports, and with its exports to China unlikely to rise after the FTA, the country might soon find itself struggling with a fast-rising trade deficit.

- Though the Maldives has a surplus in its commercial services trade, **due to robust receipts from tourism**, the services **surplus is unlikely to offset the rising deficit** in goods trade.
- The implication will be a widening imbalance in the current account of its balance of payments.

Caution for Maldives

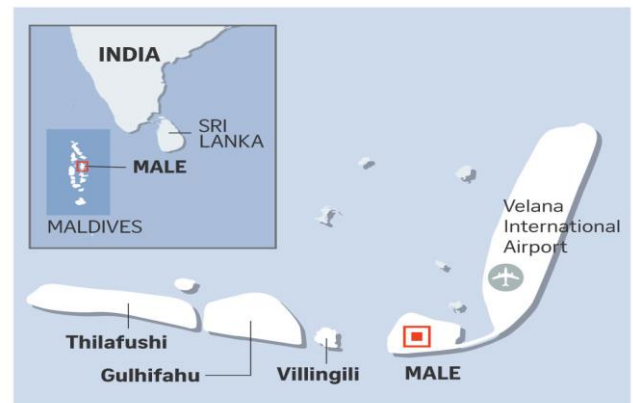
- Sovereign-guaranteed debt requires the government to **undertake a binding and unquestionable promise** to repay the debt.
- Institutions such as the China Development Bank, the **Industrial and Commercial Bank of China**, and the Export-Import Bank of China are responsible for **more than 60 percent of this guaranteed debt**.
- This leads to a significant amount of interest payments to Chinese financiers, exacerbating the Maldives' financial obligations to China.
- As the FTA encourages increased economic cooperation between the two countries, it is anticipated that **China's share in this debt** could **expand to levels that become unsustainable** for the Maldivian government.
- This situation, often referred to as "debt-trap diplomacy," **might force Maldives** into a position where it becomes increasingly influenced by China's **strategic interests** in the Maldivian economy.

India Maldives Friendship Bridge

- The ongoing jostling for strategic influence between New Delhi and Beijing in the Indian Ocean archipelago of Maldives has just seen India surge ahead after it bagged the contract to build the \$500 million Greater Malé Connectivity Project (GMCP)
- Billed as the "largest-ever infrastructure project" in the Maldives, India has reason to be pleased now that the contract has been signed.
- **The gargantuan project envisages linking capital Malé with the islands of Villingili, Gulhifalhu and Thilafushi with a 6.74-km-long bridge and causeway link.**

Mega link

India announces US\$500 million (\$686 million) package to help Maldives build a bridge linking its capital Male with the three islands of Villingili, Gulhifahu and Thilafushi.



Source: GOOGLE MAPS
STRAITS TIMES GRAPHICS

Republic Of Maldives

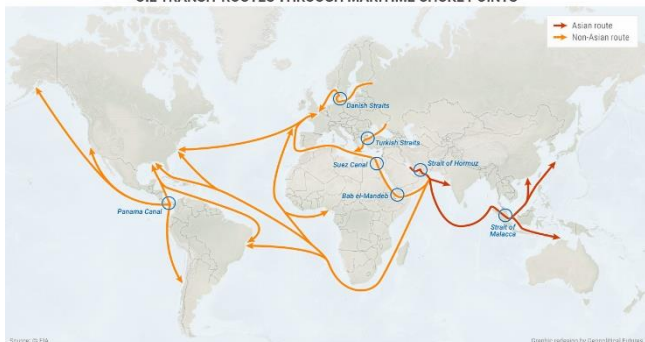


Significance of Maldives for India

Strategic Importance

- Maldives' proximity to the west coast of India - Maldives is barely 70 nautical miles away from Minicoy the southernmost island of Lakshadweep.
- Lakshadweep group is separated from the Maldives by Eight Degree Channel.
- Located at the southern and northern parts of this island chain lies the two important sea lanes of communication (SLOCs).
- These SLOCs are critical for maritime trade flow between the Gulf of Aden and Gulf of Hormuz in West Asia and the Strait of Malacca in Southeast Asia.

OIL TRANSIT ROUTES THROUGH MARITIME CHOKES POINTS



Economic Value

- It is situated at the hub of commercial sea-lanes running through the Indian Ocean.
- More than 97% of India's international trade by volume and 75% by value passes through the region.
- It's potential to allow a third nation's naval presence in the area

India Maldives Relations 2024-25

Context

- PM Modi and the visiting President of Maldives Mohamed Muizzu met on 7 October 2024.
- They comprehensively reviewed the entire gamut of bilateral ties while noting the progress made by both countries in deepening their historically close and special relationship.

Vision Document

- Both sides agreed to transform the bilateral relationship to Comprehensive Economic and Maritime Security Partnership.
- In this regard, a Vision Document was released which has detailed sections on various aspects of the bilateral relations between the two countries.
- It is a blueprint for relations that has been charted out for the next several years and provides a framework for the ongoing visit.

- The document also aims to bring together the objectives for India's own development as have been set out under the Viksit Bharat 2047 plan and Maldives' own action plan and objectives to become a developed country by 2040.

Key Moment

- The visit aims to infuse some fresh energy into bilateral relations. It has offered mutual benefits for both countries, with the Maldives receiving much-needed financial relief and India making further inroads into the country.
- This visit will likely pave the way for more cooperation between both nations. That said, for all pragmatic purposes, the Maldives will continue to balance India and China.

Maldives China Relations in 2024

- In January, when Muizzu visited China for his first state visit, he signed 20 MoUs and upgraded the relations to a comprehensive strategic partnership.
- He also joined the Global Security Initiative and agreed to revive the free trade agreement (FTA) and the Belt and Road Initiative projects. In the following weeks, he signed a defence pact and permitted the docking of a spy vessel in Malé.
- As of March, the Maldives debt-to-GDP ratio was 110%, and as of September the foreign reserves were \$360 million (worth a month's import).
- But despite economic hardships and the continuous wooing of China, Beijing is hesitant to offer new loans and slow in debt restructuring.

- Today, the Maldives owes around \$1.1 billion (of \$8 billion total debt) to China.

Sigh of Relief for Maldives

- For the economically struggling Maldives, India's currency swap of \$750 million (\$400 million and Rs 30 billion) is a huge relief.
- On the Maldives' request, India has also agreed to negotiate the FTA and discuss trading in local currencies. With India being one of the top sources of exports to the Maldives, the FTA is likely to benefit the latter the most.
- Furthermore, the possibility of trading in local currency with India's credit line and the FTA will make trade easier and cheaper for the Maldives.
- It will also reduce the burden of generating and using foreign reserves.
- India will be helping the Maldives with health cooperation, defence platforms, surveillance capacities, information-sharing, and hydrographic surveying.
- Similarly, India has expressed interest in developing Thilafushi port, investing in the economic gateway project, and extending the Greater Malé Connectivity bridge.
- India will also now have a consulate in Addu — the southernmost atoll of the Maldives — which will be crucial for development and strategic purposes.



- India's readiness to support the Maldives in capability enhancement for defence preparedness, including provisioning of defence platforms and assets to augment its capacities, as per its national priorities and in line with New Delhi's 'Neighborhood First' policy and the vision of SAGAR (Security And Growth for All in the Region).

Muizzu's Shift in Stance

- Muizzu's softened approach toward India reflects his realization of the Maldives' domestic and economic challenges.

- Despite his earlier rhetoric, Muizzu emphasized that the Maldives would not compromise India's security and stressed the importance of maintaining a balanced relationship with both India and other countries, including China.
- Facing a looming economic crisis, including debt repayments and downgraded credit ratings by Moody's, Muizzu's visit is seen as an attempt to seek financial assistance from India.

India - Bhutan



India - Bhutan relations

India and Bhutan have been sharing ties since 1910 when Bhutan became a protectorate of British India, allowing the British to “guide” its foreign affairs and defence.

When India declared independence in 1947, Bhutan was among the first nations to recognise it. Since then, the relationship between the countries has become stronger, especially because Bhutan also has a historically tense relationship with China.

Besides sharing a 699 Kilometres border, India and Bhutan also share deep religio-cultural links. Guru Padmasambhava, a Buddhist saint played an influential role in spreading Buddhism and cementing traditional ties between people in both nations.

India opened an office of a Special Representative in Thimphu in 1968, Bhutan reciprocated in 1971. The two offices of special representatives were upgraded to full-fledged embassies in 1978.

The basis for bilateral relations between India and Bhutan was formed by the Indo-Bhutan Treaty of Peace and Friendship of 1949.

However, Article 2 of the treaty critically gave India a role in guiding Bhutan's foreign policy. Hence, some changes in the treaty were made in 2007.

The new treaty says that **Bhutan can import arms as long as Indian interests are not harmed and there is no re-export of the weapons**, either by the government or individuals.

Article 6 and 7 in the current treaty encompass the issue of 'national treatment' and equal privileges for citizens on each other's soil.

National Treatment Clause

Freedom of Movement:

- Indian citizens can travel to Bhutan without requiring a visa. Entry is permitted on producing an Indian passport or a voter ID card.

Residency and Employment:

- Indian citizens can reside, work, and engage in business within Bhutan without the need for permits that other foreign nationals require.
- Bhutanese citizens also enjoy reciprocal rights in India.

Trade and Commerce:

- Indian businesses enjoy favorable terms in Bhutan, reflecting a preferential treatment compared to other countries. The close economic ties include tariff-free trade under the bilateral agreements.

Defense and Security:

- India supports Bhutan in matters of security, and the treaty includes provisions for mutual assistance. Indian citizens working in Bhutan, particularly in security or technical sectors, benefit from these cooperative frameworks.

Revised Treaty (2007):

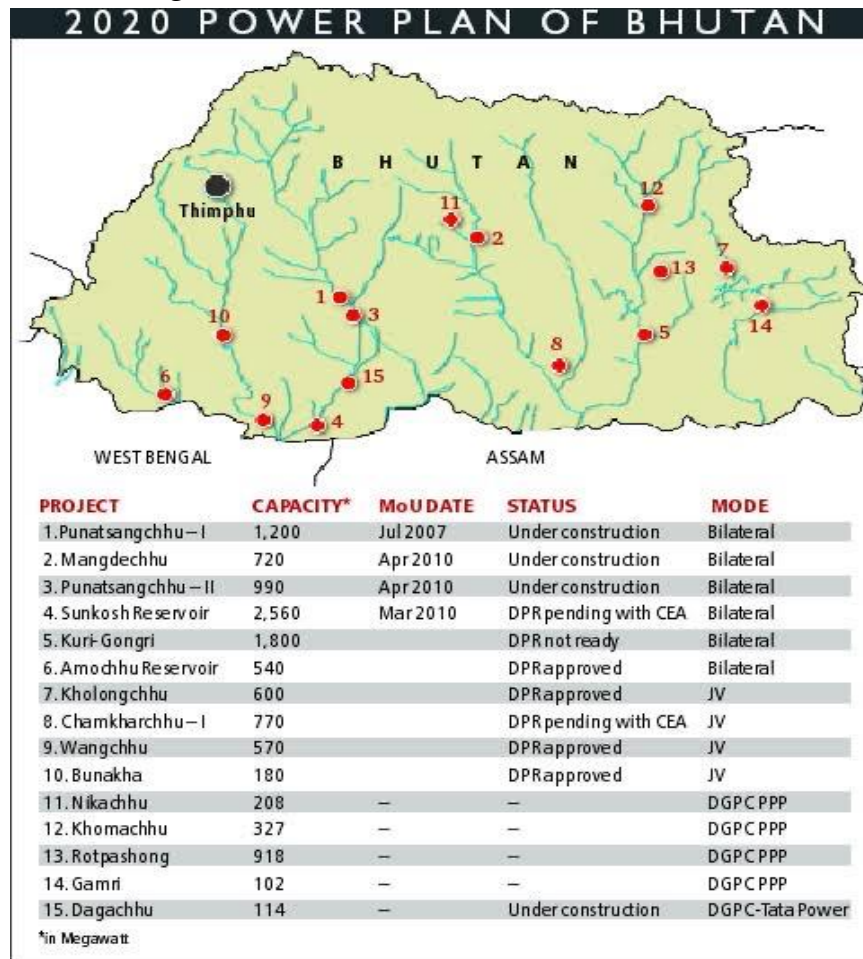
- The updated treaty emphasized mutual sovereignty while retaining provisions for special treatment of Indian citizens in areas like trade and residency.

HEP Projects Made By India in Bhutan

- Hydropower projects in Bhutan are an example of win-win cooperation, providing a reliable source of inexpensive and clean electricity to India, generating export revenue for Bhutan and cementing our economic integration.
- So far, Government of India has constructed three Hydroelectric Projects (HEPs) in Bhutan totaling 1416 MW (**336 MW Chukha HEP, 60 MW Kurichhu HEP and 1020 MW Tala HEP**), which are operational and exporting surplus power to India.



- Cooperation in the hydropower sector between India and Bhutan is a true example of **mutually beneficial cooperation**, providing clean electricity to India, generating export revenue for Bhutan, and further strengthening the bilateral economic linkages.



Chumbi Valley & Doklam

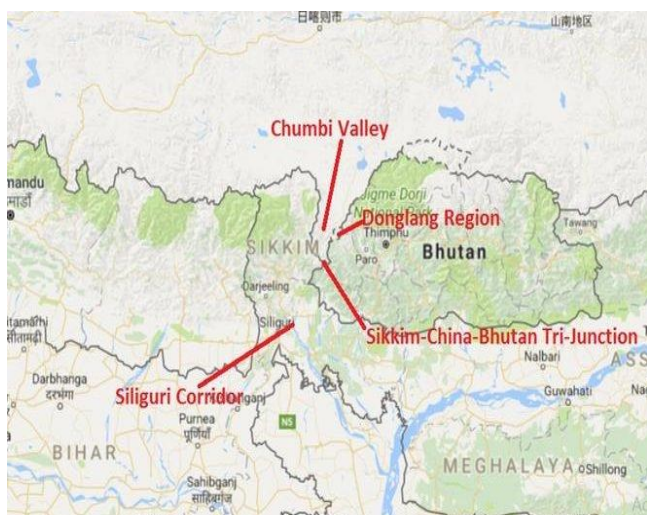


Chumbi Valley



China's Actions in Chumbi Valley

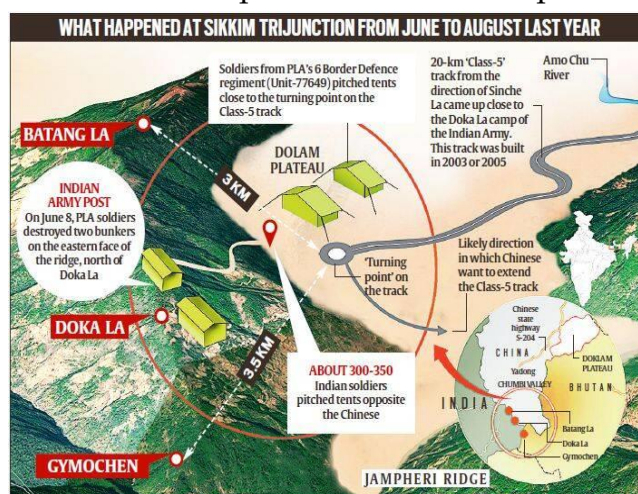
- China is building an alternative axis in the Chumbi valley, which is close to the Siliguri corridor.
- They are increasing their depth by building roads through Bhutanese territory.
- By this it was securing its routes while putting pressure on the Siliguri corridor, which is vital for India.
- High resolution satellite images that came out last year had shown China building roads along the **Torsa river** area through Bhutanese territory.



- The Siliguri corridor, located in West Bengal.
- It is a stretch of land bordering Bangladesh, Bhutan and Nepal.

Doklam Standoff

- The faceoff on Doklam plateau in Doklam area of Bhutan between Indian and Chinese soldiers started on June 16, 2017.
- A large construction party of the Chinese Army entered the area with road construction equipment and tried to build a road in Southern Doklam region to Jampheri ridge.
- The Bhutanese patrol initially confronted them but they turned the patrol away.
- Indian soldiers from Doka La, an Army post overlooking the area, sought to dissuade the Chinese personnel from their attempt to alter the status quo.



- The Chinese did not agree, leading to a face-off between soldiers of the two sides deployed in the close vicinity.
- Indians physically stopped any Chinese construction attempt.

- The Bhutanese Ambassador to India publicly stated that they had lodged a protest on June 20, 2017, with the Chinese government through their Embassy in New Delhi.
- On June 29, Bhutan's Foreign Ministry issued a statement underlining that the construction of a road inside Bhutanese territory was a violation of the 1988 and 1998 agreements between Bhutan and China.

India's Concerns

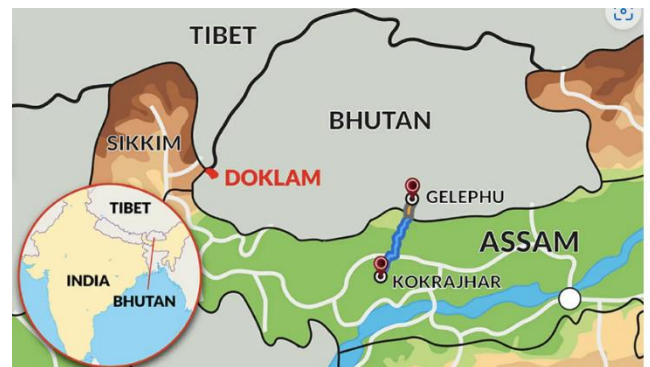
- This had implications for the determination of the tri-junction point demarcating India, China and Bhutan.
- India says it is at Batang la while Chinese claim it to be at Gyomchen – and the alignment of the India-China boundary in the Sikkim sector.
- India was working in close coordination with Bhutan at various levels.
- And was equally concerned about the violation of its 1988 and 1998 agreements with China

India Bhutan Relations- 2023 Onwards

Context

- Recently, India and Bhutan agreed to discuss new routes of Regional Connectivity, and upgrade border and immigration posts, in order to enhance trade and Partnership during Bhutan King's India visit.
- A joint statement speaks of completing surveys for the **Kokrajhar-Gelephu rail link that connects Bhutan to Assam** and beginning discussions on another Bhutan to West Bengal rail link.

- While also facilitating Bhutan-Bangladesh trade, with yet another rail link, and upgrading checkpoints along the India-Bhutan border.

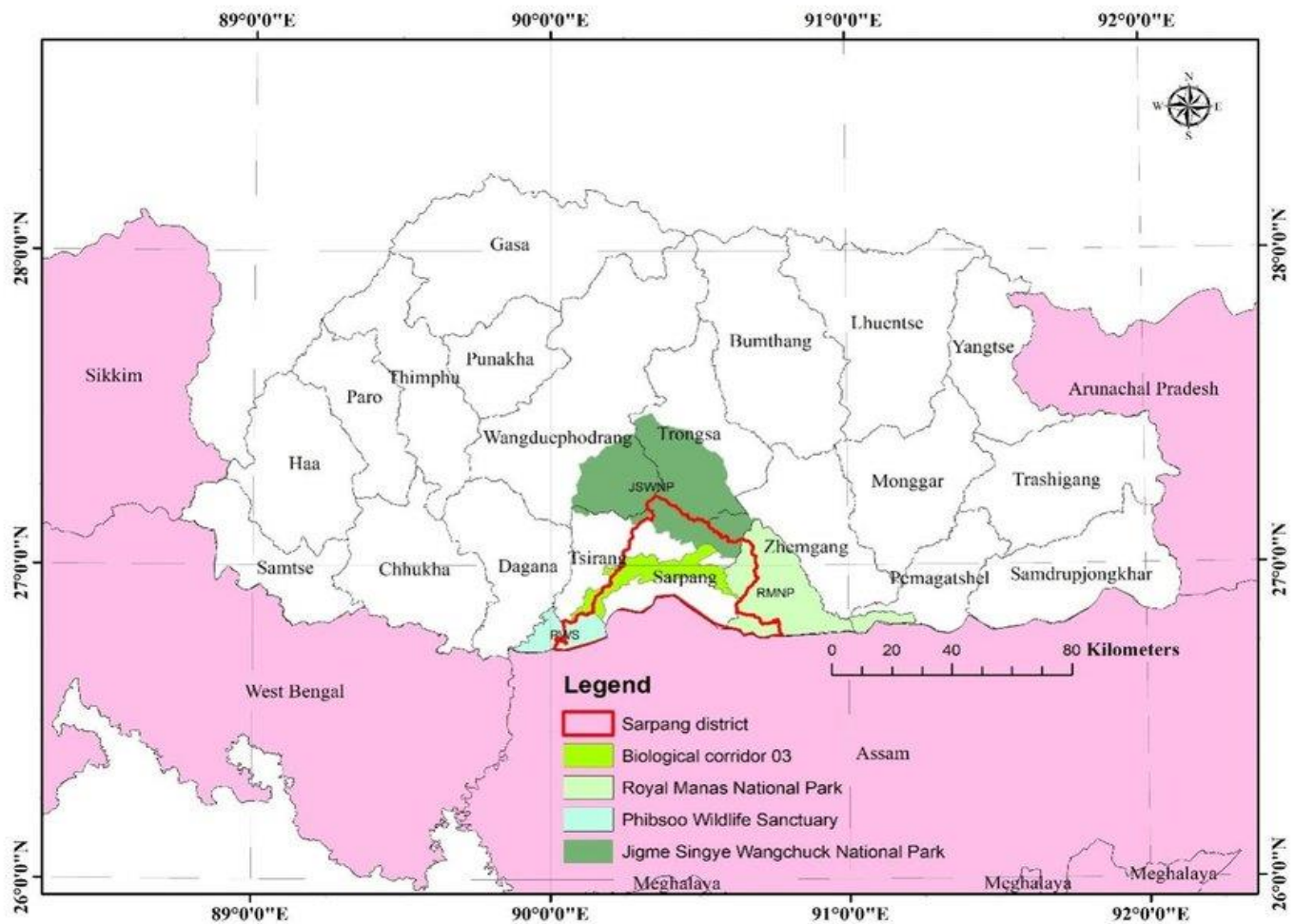


Rail Connectivity

- The rail connectivity could in the future assist air connectivity for Indians in the northeast as well, as Bhutan plans to build an international airport at Gelephu as part of the larger **Sarpang district Special Economic Zone**, a new initiative is expected to be announced by the Bhutanese King.
- The Bhutanese King's vision for Gelephu and the special economic zone, which he initially broached with PM Modi during an April 2023 visit, aims to enhance employment and tourism prospects in Bhutan.



- Moreover, both parties have concurred on exploring the possibility of creating a secondary railway connection spanning approximately 18 km, linking Samtse in Bhutan with the tea gardens area in Banarhat, West Bengal.



Economy of Bhutan

- Bhutan's economy has been dependent on hydropower and tourism revenues and has been particularly hit by the COVID-19 pandemic as well as worries over global warming.
- A lack of opportunities has also led to emigration by educated youth and professionals.
- Bangladesh's signing of a Preferential Trade Agreement with Bhutan in 2020 could increase Bhutanese export of local produce and build more markets for Indian and Bangladeshi producers in the sub-region.

Intra-Regional Growth

- India's "energy exchange", which is bringing more Bhutanese and Nepali hydropower suppliers online, while planning to distribute energy to Bangladesh and Sri Lanka, will drive intra-regional growth and revenues.
- This would also power New Delhi's attempt at bridging the economic gap with the northeast, while drawing development partners like the World Bank and donor countries like Japan into the creation of a "sub-regional hub".
- Given India's problems with Pakistan and sanctions on Myanmar for the 2021 coup blocking the path for trade and land connectivity to the East.
- Working with other countries on India's periphery to build connectivity, markets and energy links is the most sustainable way forward.
- In the longer term, geopolitical conflicts and anti-globalisation trends are forcing regional groupings to be more cohesive, something South Asia has not been able to achieve as yet.

Conclusion

- As India worries about China's push into South Asian trade, infrastructure projects and strategic ties, including concerns over a Bhutan-China boundary agreement's overhang over Doklam and India's "Chicken Neck" (Siliguri Corridor) route.
- These are ideas which will offer more security and prosperity for the countries involved, with particular benefits for Bhutan, India's traditionally trusted partner in the region.

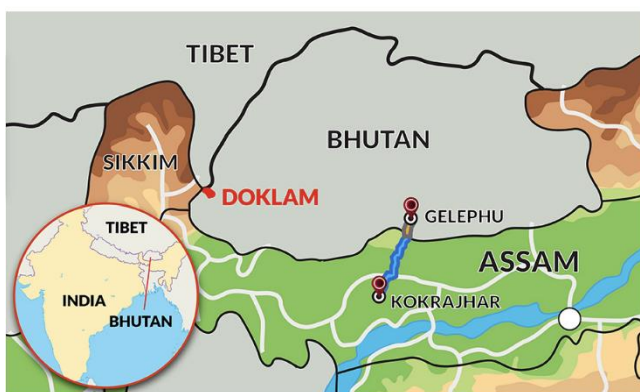
Gelephu Mindfulness City

- Gelephu is envisioned as more than an economic center; it is positioned to become a gateway connecting Bhutan to the world and shaping the nation's future.
- The Bhutan King also said that the road's role as a conduit to global markets, capital, innovative ideas, knowledge, and technology--an avenue to chart Bhutan's destiny.



- The plan, launched by Bhutan's King Jigme Khesar Namgyal Wangchuk in December 2023, is to build a "Gelephu Mindfulness City" (GMC) with a unique Bhutanese architectural blueprint across 1,000 square kilometres, as a special administrative zone with separate, investor-friendly laws.
- As a carbon-neutral city, Gelephu would include only non-polluting industries (mainly IT, education, hotel and hospital sectors), and would be promoted as an investment destination and health and wellness hub in the middle of the region.
- In that sense the city is more like newer global peers – planned cities such as Saudi Arabia's Neom and Indonesia's Nusantara than financial hubs with glass-cased skyscrapers such as Dubai, Hong Kong and Singapore.

- It would also lie at the crossroads of India's "Act East" plans for connectivity to Myanmar, and on to **Association of Southeast Asian Nations** and the Indo-Pacific region as well as the new India-Japan connectivity plans between India's north-eastern States through Bangladesh to the Bay of Bengal and Indian Ocean.
- Despite the lofty ambitions, the Gelephu gambit will require a major leap of faith from India.
- As Gelephu is landlocked, it is dependent on other countries, primarily India, to provide the infrastructure for trade and transport out of the special administrative region.
- The first part of the Gelephu project involves **scaling up the Gelephu airport** and tarmac to international standards, which will need financing and expertise from India.
- The **growing "outmigration" of Bhutanese youth** in search of jobs abroad is another challenge, and the **government hopes a mega project** such as Gelephu will stem that.



Bhutan's Graduation from LDC: Opportunities and Challenges

Context

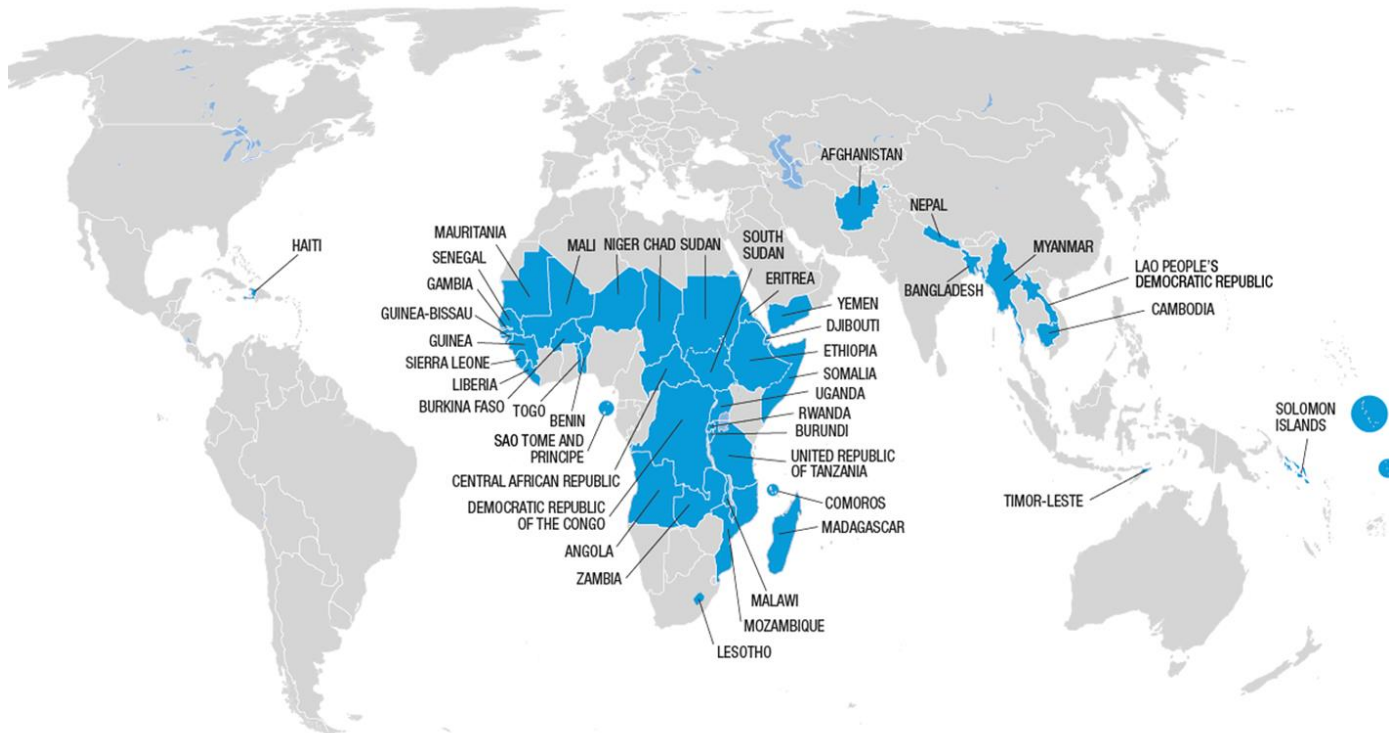
- Bhutan, renowned for its distinctive developmental paradigm **centred around collective happiness**, as encapsulated in the concept of gross national happiness, Bhutan has reached a significant milestone.
- **By the conclusion of 2023, Bhutan relinquished its designation as a 'Least Developed Country' (LDC), thereby ascending to the category of developing middle-income economies.**
- The **attainment of non-LDC status** represents a noteworthy advancement in the developmental trajectory of landlocked nations.
- However, the ongoing diminution of international support measures **associated with this altered status poses** potential challenges for Bhutan as it endeavours to sustain its **integration into the global economy**.

Bhutan's Graduation from LDC

Classification and Criteria for Least Developed Countries (LDCs) by the United Nations (UN): An Overview of the Developmental Framework

- The United Nations (UN) designates nations as Least Developed Countries (LDCs) based on their low-income status and significant structural obstacles impeding sustainable development.

- The formal establishment of this LDC classification dates back to 1971, marked by the adoption of General Assembly Resolution 2768 (XXVI).
- The decision to include or graduate a country from the LDC list rests with the UN General Assembly, relying on recommendations from the Committee for Development Policy (CDP) and subsequent approval by the Economic and Social Council (ECOSOC).
- The CDP conducts triennial reviews of the LDC list, involving a meticulous assessment of countries' eligibility for inclusion or graduation from the LDC category.
- This procedural framework seeks to channel targeted assistance to the **most underdeveloped nations** within the broader spectrum of developing countries.
- Presently, the UN recognizes 45 nations as Least Developed Countries (LDCs), distributed across Asia (nine), the Pacific (three), the Caribbean (one), and Africa (33).



- Evaluation of LDCs is grounded in three key benchmarks –
 - Gross National Income (GNI) per capita,
 - The Human Assets Index (HAI) gauging health and education outcomes,
 - The Economic and Environmental Vulnerability Index (EVI).
- To advance from LDC status, a nation must meet graduation requirements for two of these criteria in **two consecutive triennial review periods conducted by the CDP.**

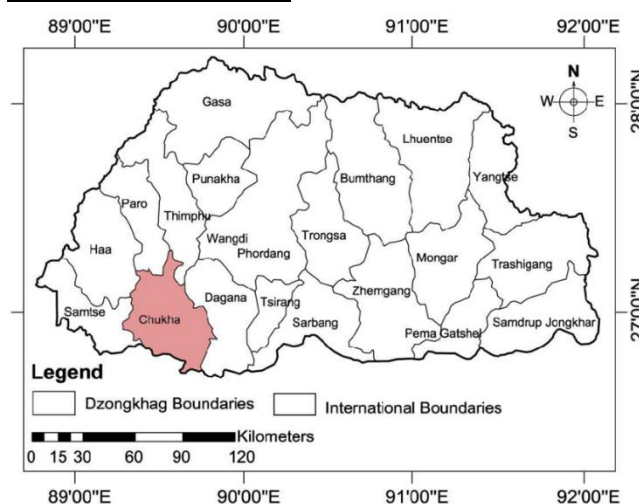
- Irrespective of performance in the other two criteria, a nation may be recommended for graduation **if its GNI per capita reaches** twice the established threshold.

Examining Bhutan's Economic Trajectory

- In 1971, Bhutan became part of the initial group of Least Developed Countries (LDCs).
- Over subsequent decades, this Himalayan Kingdom has undergone a remarkable metamorphosis, **witnessing substantial economic growth** and an overall improvement in the living standards of its citizens.
- **Economic growth and development of hydropower sector**
 - Bhutan's economic journey since 1961 has been characterised by a sequence of development plans, initiated with the **support of India during the first and second Five Year Plans (1961-1972)**.
 - The foundational steps were laid in 1961, and the ensuing decades saw steady growth, particularly influenced by **developments in the hydropower sector**.
 - The pivotal role played by the opening of the **Chukha Hydropower Plant in the 1990s and 2000s contributed significantly**.
 - In the 2010s, there was a strategic emphasis on sustainable development and the diversification of sectors such as tourism, further bolstering economic resilience.

- **From 2010 to 2019, Bhutan's economy experienced robust expansion, boasting an average annual Gross Domestic Product (GDP) growth exceeding 5 per cent, leading to substantial reductions in poverty.**

Chukha- Bhutan



Examining Bhutan's Economic Trajectory

- **Education and basic needs**
 - Bhutan has achieved commendable progress, particularly in education, with an estimated **overall literacy rate of approximately 66 per cent in 2018**.
 - The provision of **electricity has achieved near-universal coverage, reaching 98 per cent in 2017**, and basic access to potable water services extended to about 97 per cent of the population in the same year.
 - The country's growth has resulted in a **significant decline in the national poverty rate, decreasing from 23.2 per cent in 2007 to 8.2 per cent in 2017**.

- In terms of the **Human Development Index (HDI)**, **Bhutan scored 0.654** in 2019, surpassing other Asian LDCs.
- **Challenge in Bhutan's Economic growth**
 - However, the year 2020 brought unprecedented challenges as the government implemented early-stage lockdowns and border closures in response to the COVID-19 pandemic.
 - Despite effective containment efforts, these stringent measures took a toll on the economy, **contributing to an estimated 10 per cent decline in GDP.**
- **Silver lining amidst Bhutan's economic hardship**
 - Nevertheless, the **UN CDP's February 2021 Monitoring Report underscored Bhutan's exceptional performance**, with GNI per capita growth estimated at USD 2,982, three times the graduation threshold of USD 1,222.
 - Additionally, **Bhutan's Human Assets Index (HAI) score exhibited substantial improvement, reaching 79.4** (compared to the required score of 66).
 - Despite these challenges, there has been a noteworthy rebound in economic growth, **with projections indicating an approximate 4.2-4.7 per cent expansion since the financial year 2022-23.**

- In FY 2022-23, the economy again grew by 4.6 per cent, driven by the reopening of borders for tourism in September 2022.
- The industry sector expanded by 5.1 per cent, with growth in construction and manufacturing, while the services sector grew by 5 per cent, creating more jobs, especially in transport and trade services.

India - Sri Lanka



Kachattheevu Island

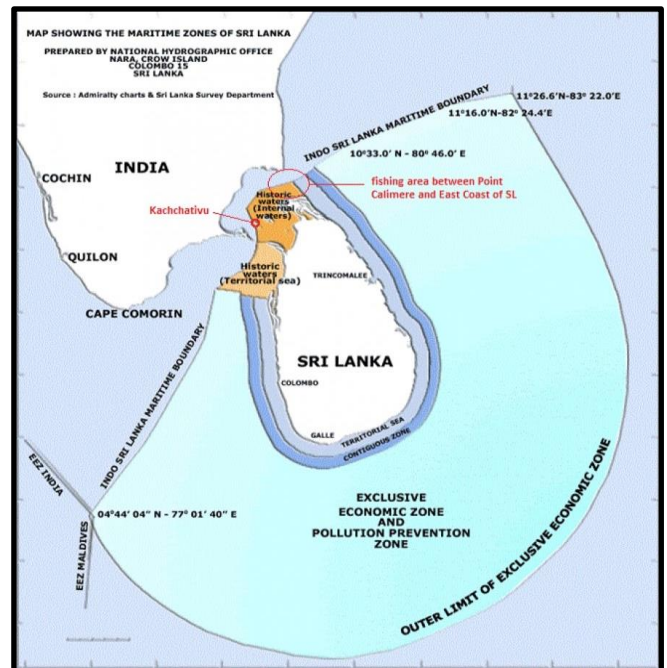


Katchatheevu Islands



Katchatheevu Issue:

- **Historical Context:**
 - Katchatheevu, a small 285-acre island in the Palk Strait, lies between India and Sri Lanka, situated roughly 14 nautical miles away from Rameswaram, India.
 - In 1974, an accord was reached between Prime Ministers Indira Gandhi of India and Sirima R.D. Bandaranaike of Sri Lanka.
 - This agreement recognized Katchatheevu as part of Sri Lanka's territory, leading to a transfer of ownership.
 - This accord also granted Indian fishermen the right to fish in the vicinity of the island, dry their nets on its shores, and **allowed Indian pilgrims** to visit the Catholic shrine located on the island.



- **Fishing Entitlements and Livelihood:**
 - For generations, fishermen from both India and Sri Lanka have utilised Katchatheevu for fishing activities.
 - **While this aspect was acknowledged in the 1974 agreement, a supplementary pact was formalised in 1976.**
 - The 1976 agreement had the purpose of establishing **clear maritime boundaries** and exclusive economic zones for both nations.

Importance for Fishermen

- Fisherfolk of the two countries have been traditionally using the islet for fishing.



- Though this feature was acknowledged in the 1974 agreement, the supplemental pact in March 1976 made it clear that fishing vessels and fishermen of the two countries **"shall not engage"** in fishing in the historic waters, territorial sea and exclusive zone or exclusive economic zone of either of the countries **"without the express permission of Sri Lanka or India."**
- Sri Lanka claimed sovereignty over Katchatheevu on the ground that the *Portuguese who had occupied the island* during 1505-1658 CE had exercised jurisdiction over the islet.
- India's contention was that the erstwhile Raja of Ramnad [Ramanathapuram] had possession of it as part of his zamin.

Katchatheevu Issue:

- Additionally, **it included regulations** for fishing vessels and fishermen from both sides, **barring fishing in each other's waters** unless authorised by either country's explicit permission.

Indian Government Position and Legal Elements:

- In 2013, the Indian government clarified that there was no need to consider reclaiming the island since no Indian territory was surrendered.
- The matter was presented as a disagreement stemming from British India and Ceylon (now Sri Lanka), which was settled through accords in 1974 and 1976.
- The Indian Union government affirmed that Katchatheevu is situated on the Sri Lankan side of the India-Sri Lanka International Maritime Boundary Line.

Political and Popular Sentiments:

- The handover of Katchatheevu sparked resistance and discussions in the Indian Parliament's chambers.
- Tamil Nadu leaders have intermittently voiced the call for reclaiming the island.
- Over time, this demand has transformed, including proposals for a "permanent lease (a lease agreement with no defined duration)" for the island.

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Recent Developments

- In December 2022, the Union government, while referring to the two agreements, pointed out in its reply in the Rajya Sabha that Katchatheevu **"lies on the Sri Lankan side of the India-Sri Lanka International Maritime Boundary Line."**
- It added that the matter was sub-judice in the Supreme Court.

Background

- During June 26-28, 1974, the then Prime Ministers of India and Sri Lanka, Indira Gandhi and Sirima R.D. Bandaranaike, signed an agreement to **demarcate the boundary** between the two countries in the historic waters from Palk Strait to Adam's Bridge.
- A joint statement issued on June 28, 1974, stated that a boundary had been defined "in conformity **with the historical evidence**, legal international principles and precedents."
- It also pointed out that "this boundary falls one mile off the west coast of the uninhabited" Katchatheevu.
- The pact brought to a close the talks held between the two sides since October 1921.
- Initially, the negotiations were held between the governments of the then Madras and Ceylon.



Ram Setu

- Hindu religious theories believe that it is the bridge constructed by Lord Rama and his Vanara (monkey) army as mentioned in the epic Ramayana.

- He had to construct this bridge to reach Sri Lanka as his wife Sita was kidnapped and was imprisoned there.
- **It is said that Rama's bridge was above the sea level. Even some historical records suggest that it was walkable till the 15th century.**
- Setu Samudram Project is a proposed bridge to build over the Palk Strait. The idea is to have a short-cut route from Pamban Island to Mannar Island in Sri Lanka.
- **Sethusamudram has been one of India's most ambitious maritime projects, aiming to create a new shipping lane connecting the Gulf of Mannar and Bay of Bengal through the Palk Strait and Palk Bay.**
- Sethusamudram was expected to shorten ship journeys between India's eastern and western coasts.

Sethu Samudram



Sethu Samudram Project

- Also called as India's Suez Canal project

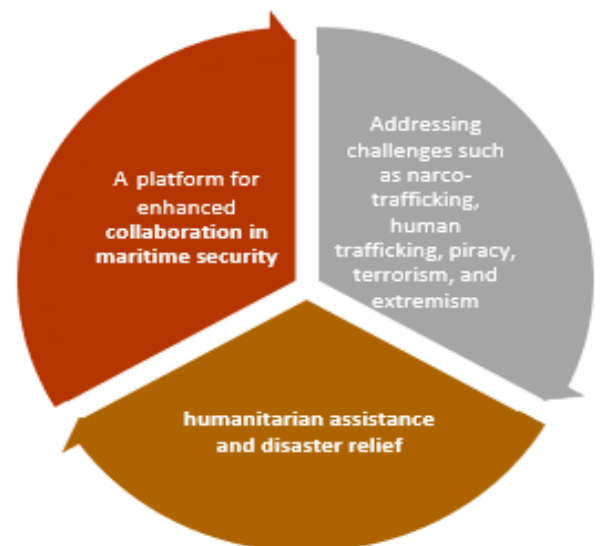
- In 1955 a feasibility study was conducted by the Ramaswamy Mudaliar committee.
- The project involves digging a 44.9-nautical-mile (51.7 mi; 83.2 km) long deepwater channel **linking the shallow Palk Strait with the Gulf of Mannar**.
- Conceived in 1860 by Alfred Dundas Taylor, it recently received approval of the Indian government.
- The proposed route through the shoals of Ram Setu is opposed by some groups on religious, environmental and economical grounds.
- Most recent plan is to dig the channel roughly in the middle of the straits to provide the shortest course and the course requiring least maintenance.
- This plan avoids the demolition of Ram Setu.

The Evolving Role of The Colombo Conclave

Colombo Security Conclave

- The Colombo Security Conclave's (CSC) 8th Deputy National Security Advisor-level summit on 10 July **witnessed Bangladesh officially joining the organisation as its fifth member**.
- The latest development demonstrates the increasing importance and **role of the CSC as the Indo-Pacific region grows in prominence**.
- Since its revival in 2020, the CSC has seen an expansion in membership and has undertaken multiple initiatives to promote and **institutionalize a security architecture** in the region.

- In a rapidly evolving security environment, the CSC is **facilitating the Indian Ocean littoral states** to transit from a territorially-dominated security **thinking to collaborate** and cooperate on maritime threats and interests.
- Initially established in 2011 as a trilateral maritime security association **comprising India, Sri Lanka, and the Maldives**, experienced a revival in 2021, expanding both its membership and scope.
- The Conclave's primary objective is to establish a platform for enhanced **collaboration in maritime security**, addressing challenges such as narco-trafficking, **human trafficking, piracy, terrorism**, and extremism.
- The cooperative framework initially encompassed four areas, with the addition of "humanitarian assistance and disaster relief" in the 2022 edition.



- **The significance of the Colombo Security Conclave** lies in its emphasis on military and security collaboration, particularly relevant given the prevailing geopolitical circumstances.
- The Conclave contributes to maritime security through focused operations, ensuring the safety of the Indian Ocean for commercial shipping, international trade, and legitimate maritime activities.
- **For India**, with its extensive coastline and strategically important islands, **maritime security is of paramount importance.**
- Closer cooperation within the region supports India's endeavors to ensure security and stability.
- The Conclave serves as a platform for India's outreach to the Indian Ocean, reinforcing regional cooperation and shared security objectives.
- India's active role in the Conclave enables it **to counter China's growing influence in the region** and aligns with India's vision of **"SAGAR: Security and Growth for all in the Region."**
- India's strong bilateral relations with each member and observer country enhance regional cohesion and collaboration through the Conclave.

Pillars of Colombo Security Conclave

- Maritime safety and security
- Countering terrorism and radicalisation
- Combating trafficking and transnational crime
- Cybersecurity and protection of critical infrastructure and technology

- Humanitarian assistance and disaster relief.

Expansion of CSC

- Push for institutionalization and expansion of the CSC is an outcome of the evolving world order.
- As the Indo-Pacific region grows geoeconomically and geostrategically important, it is more prone to traditional and **non-traditional challenges like growing geopolitical competition, trafficking, piracy, terrorism, cyber threats, and maritime disasters and accidents.**
- As a result, littoral states of the Indian Ocean Region (IOR) have **begun to push** for a robust **maritime security architecture.**
- In this context, **minilateral groupings** have **proliferated in the Indian Ocean.**
- Although there is the Indian Ocean Rim Association (IORA) which continues to operate as the **only pan-Indian Ocean regional forum**, its operations have been limited, often receiving scrutiny.
- Furthermore, given the complex nature of these spaces, a **multilateral arrangement** seems inadequate in accommodating the interests of all the players involved.
- CSC's scope remains within the immediate geography of its member states.
- In fact, with Bangladesh joining the CSC as a full member, the CSC appears to represent a new construct—a '**maritime imagination of South Asia,' underscoring Dhaka's reimagination as a vital Indian Ocean state.**

Expansion of CSC- How India Benefits?

- **First, to counter China's presence in the Indian Ocean.**
- In fact, the China-Indian Ocean Forum initiated in 2022 emerged as a competing regional forum that could challenge Delhi's role as a catalyst in framing maritime security cooperation.
- **Second, the member states involved in the CSC are vital partners in ensuring India's maritime security.**
- With the possibility of China paring away Delhi's neighbouring states, institutionalizing a maritime security architecture **could strengthen** India's efforts in securing its immediate maritime neighbourhood.

Expansion of CSC- Challenges

- The first challenge pertains to China.
- The members of the CSC have varied and complex relations with China.
- For New Delhi, China's enduring territorial and maritime expansion and the weaponization of the ocean remain a pivotal challenge.
- However, other countries like Sri Lanka, Maldives, Mauritius, and Bangladesh have close economic and defence ties with China.
- In cases such as Sri Lanka, Maldives, and Mauritius, extensive economic reliance and borrowing from **China has also triggered anxieties of more Chinese debt-trapping in the IOR.**
- Second challenge emanates from the fact that all the members of the CSC are democracies whose **foreign policy is vulnerable to domestic politics.**

- The organization's six-year halt from 2014-2020 and the Maldives' absence from the previous NSA-level meeting further underscores this challenge.

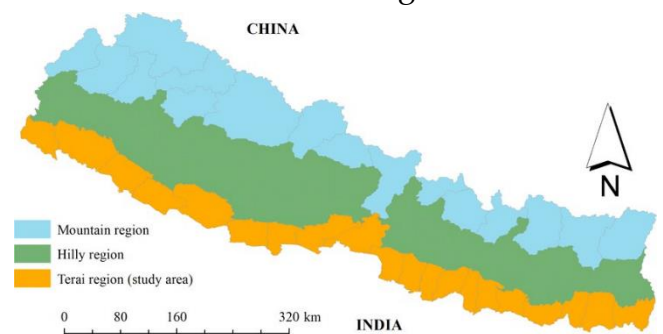
India -Nepal

Nepal And Bordering Indian States''



Madhesis

- Madhesis are an important segment of the population in Nepal.
- They **occupy economically** the most significant region of the country with 70-80% of the country's industries being located in the Terai region.

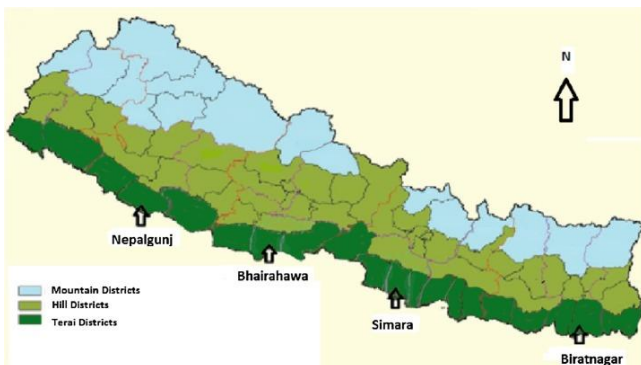


- It accounts for 65% of Nepal's agricultural production.
- Needless to say, the country's economy depends heavily on the region.
- Strategically, the Terai belt constitutes the lifeline of Nepal.



- All the key transportation routes from India pass through this region, making it the gateway to the landlocked country.
- Almost all the country's import and export takes place through this region.
- Given these factors, any disturbance in the region involving the Madhesi becomes extremely critical as it has the potential to *seriously jeopardise the country*.
- The Madhesi has historically been part of the larger Mithila region.
- Most of the affluent of the Terai are educated in India, and the democracy on the other side of the border has kept levels of political awareness high.
- Most of the 11 Indian ambassadors to Nepal since 1990 have been from Bihar – and about half of them belong to a sizeable caste in Nepal's Terai.

Terai Region



- Terai, region of northern India and southern Nepal running parallel to the lower ranges of the Himalayas.
- It stretches from the Yamuna River in the west to the Brahmaputra River in the east.

- The eastern part of the Terai is known in West Bengal state and in Bangladesh as the Duars.
- This lowland belt is characterised by tall grasslands, scrub savannah, sal forests and clay rich swamps.
- In Nepal, the Terai stretches over 33,998.8 km² (13,127.0 sq mi), about 23.1% of Nepal's land area.

Administrative Map of Nepal



Kalapani Dispute

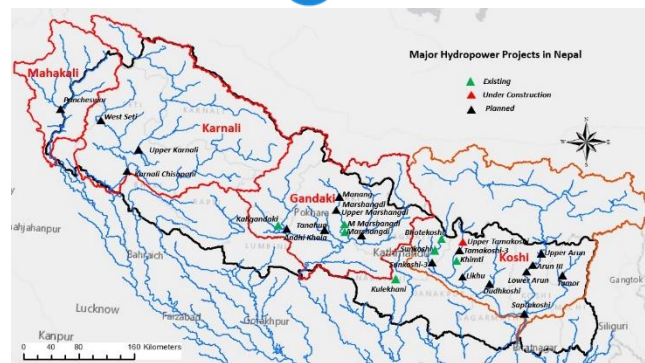




- Nepal's claims to the region is based on Kali river as it became the marker of the boundary of the kingdom of Nepal following the **Treaty of Sugauli** signed between the Gurkha rulers of Kathmandu and the East India Company after the Gurkha War/ Anglo-Nepal War (1814-16).
- According to Nepal's experts, the east of the Kali river should begin at the source of the river.
- **The source according to them is in the mountains near Limpiyadhura, which is higher in altitude than the rest of the river's flow.**
- Nepal claims that a land mass, high in the mountains that falls to the east of the entire stretch starting from Limpiyadhura downwards, is theirs

Recent Cooperation In The Relationship Between India And Nepal

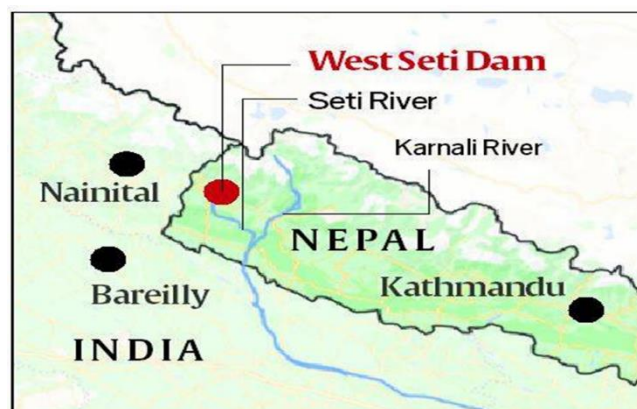
- The Arun-III hydropower plant is being developed on the Arun River in **Sankhuwasabha District of Province 1, East Nepal**.
- It is an export-oriented project with a power generation capacity of 900MW.
- The Project Secured financial closure in **February 2020** when the governments of **India and Nepal signed an agreement**.
- It is being developed on a Build-own-operate and transfer (BOOT) basis by **Satluj Jal Vidyut Nigam (SJVN)** Arun 3 Power Development Company (SAPDC).
- **This is a joint venture of the Government of India and the Government of Himachal Pradesh.**



- It operates on a Build Own Operate and Transfer (BOOT) basis for a period of 30 years, including the construction phase.
- Alongside this, the Satluj Jal Vidyut Nigam (SJVN) and Nepal Electricity Authority signed an MoU to develop the 679 MW **Arun-4 hydropower project in May 2022**.

Other Hydropower Projects:

- Indian corporate, the GMR group, has been given a licence to construct the 900-MW **Upper Karnali project** and the SJVN has now been awarded the 450 MW **Seti River 6 Project**.
- The National Hydroelectric Power Corporation (NHPC) Limited of India was awarded another prestigious 750 MW West Seti Project in August 2022, which earlier was awarded to **China's Three Gorges Corporation**.



Seti Project

- **India will be taking over an ambitious hydropower project in Nepal – West Seti.**
- It's been nearly four years after China withdrew from it.
- China ended a six-year engagement between 2012 and 2018.
- India's National Hydro Power Corporation (NHPC) has already begun preliminary engagement of the site in far-western Nepal.

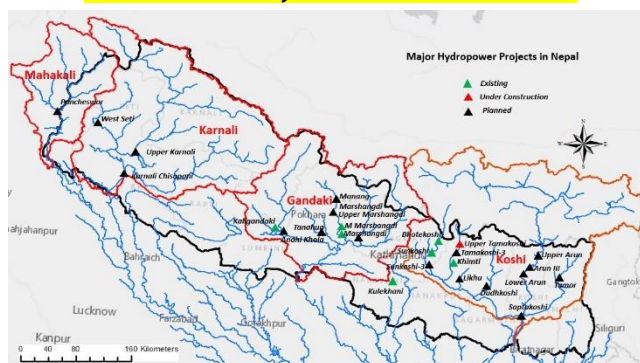
What is West Seti Project?

- The West Seti Hydroelectric Project (WSHEP) is a 750 MW storage scheme.
- It is proposed on the Seti River in the Far Western Development Region (FWDR) of Nepal.
- The project proponent is: **West Seti Hydro Limited (WSH).**
- The dam site is located **67 km upstream of the confluence of the Seti River with the Karnali River.**
- The WSHEP will generate electrical energy throughout the year;
- Storing excess wet season river flows in a reservoir, and using this water to generate energy during daily peak electricity demand periods.

Arun 3 Hydro Power Project

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Phewa Dialogue

- In December 2024, Phewa Lake garnered attention as Nepal and China jointly launched the "Phewa Dialogue" series in Pokhara, aiming to foster regional prosperity and peace policies.
- Phewa Lake, also known as Fewa Lake, is a prominent freshwater lake located in the Pokhara Valley of Nepal.
- It stands as the country's second-largest lake and is renowned for its natural beauty and cultural significance.

Phewa Lake

- At the lake's center lies the Tal Barahi Temple, a two-story pagoda dedicated to the Hindu goddess Varahi.
- Accessible only by boat, this temple is a focal point for both religious ceremonies and tourist visits, especially bustling on Saturdays when devotees gather to pay homage.

