DAILY CURRENT AFFAIRS 17-04-2025

GS-2

1. **India's Strategic Convergence of 'Neighbourhood First' and 'Act East' Policies**

GS-3

2. **Regional Rural Banks (RRBs)**
3. **India, rising power demand and the 'hydrogen factor**
4. **World Pandemic Treaty**

India's Strategic Convergence of 'Neighbourhood First' and 'Act East' Policies

Syllabus: GS-2: India's Foreign Policy.

Context:

Prime Minister Narendra Modi's recent visit to Thailand for the BIMSTEC Summit marked a pivotal moment in India's regional outreach, aligning two key foreign policy doctrines—**Neighbourhood First** and **Act East**.

This strategic convergence signals India's evolving commitment to regional integration, strategic autonomy, and the promotion of a rules-based Indo-Pacific order.

Bay of Bengal: Geostrategic Pivot

The **Bay of Bengal** has emerged as a central node in India's maritime and geostrategic policy:

- It connects the **Indian Ocean to the Pacific** via the **Malacca Strait**, a key global trade chokepoint.
- Eastern seaports such as **Kolkata, Visakhapatnam, and Chennai** depend on these maritime routes for trade and energy security.
- The **Andaman and Nicobar Islands** serve as India's maritime outposts, enhancing surveillance and power projection into Southeast Asia.

Maritime Security and India's Indo-Pacific Doctrine

India's evolving maritime strategy is reinforced by multi-layered partnerships:

- **Quad Alliance (India, US, Japan, Australia)** champions a **Free and Open Indo-Pacific (FOIP)**.
- **SAGAR** (Security and Growth for All in the Region) envisions cooperative maritime security.
- **Malabar Exercises**, naval dialogues with **ASEAN and BIMSTEC**, and capacity-building initiatives underscore India's proactive approach.

Challenges:

- **China's growing naval presence**, especially near the Strait of Malacca.
- **Non-traditional threats**: piracy, illegal fishing, and climate change-induced sea-level rise.

BIMSTEC: Revitalizing Regionalism

Founded in 1997, **BIMSTEC** connects South and Southeast Asia and acts as an effective bridge between the **SAARC and ASEAN** frameworks.

Key Pillars:

- Economic cooperation in **trade, energy, and technology**.
- Security collaboration in **counter-terrorism, disaster resilience**, and **connectivity**.
- With SAARC paralyzed due to **Pakistan's intransigence**, BIMSTEC has gained renewed strategic traction under India's leadership.

ASEAN Linkages: Myanmar and Thailand as Diplomatic Gateways

- **Myanmar and Thailand**, as ASEAN members and BIMSTEC partners, enhance India's access to East Asian regionalism.
- Their inclusion strengthens India's commitment to **ASEAN centrality** and **principled multilateralism** in the Indo-Pacific.

India's Northeast: Transforming from Periphery to Pivot

India's **Act East Policy** hinges on the transformation of the **Northeastern states** from neglected borderlands to economic gateways:

Infrastructure and Investment:

- **₹5 lakh crore+** capital expenditure in the past decade.
- Development of **IMT Trilateral Highway**, **Kaladan Multimodal Project**, and **Trans-Arunachal Highway**.
- **UDAN scheme**, **underwater tunnels**, and **border road connectivity** under PMGSY have revitalized the region.

Local Empowerment:

- **Vibrant Villages Programme** promotes borderland development in **Arunachal Pradesh and Sikkim**.
- Emphasis on **organic farming, skill development, and ecotourism** (e.g., Sikkim's organic model).

Conflict Resolution and Governance in the Northeast

India's Northeast has also witnessed strategic peace-building:

- The **2015 peace accord** with **NSCN in Nagaland** ended decades of insurgency.
- Increased **political inclusion**, **decentralized governance**, and **ecological sensitivity** guide regional development.

- Holistic governance promotes **trust-building**, **youth empowerment**, and **sustainable livelihoods**.

BIMSTEC 2024 Summit: Highlights and Vision 2030

The recent summit laid the foundation for a **Vision 2030**, aiming for sustainable and inclusive regional development.

Key Announcements:

- A **21-point action plan** by PM Modi including:
  - Joint disaster response mechanisms.
  - Cooperation in space technology and IT.
  - Cross-border transport and digital connectivity agreements.

BIMSTEC's Economic Potential and India's Trade Strategy

BIMSTEC at a Glance:

- Represents **1.7 billion people** (~22% of global population).
- Combined **GDP of $3.6 trillion+**.

Strategic Advantages for India:

- Reduces overdependence on **northern corridors** (e.g., Siliguri Corridor).
- Promotes **coastal shipping and inland waterways** as green logistics alternatives.
- Encourages **regional value chains** in textiles, pharmaceuticals, and electronics.

India's Vision for Regional Order

India advocates a **rules-based regional order** grounded in transparency and sovereignty:

- **Rejects bloc politics** and **coercive diplomacy**, especially in contrast to China's BRI.
- Envisions **BIMSTEC as a model of functional multilateralism**, aligned with India's **Indo-Pacific Oceans Initiative (IPOI)**.
- Promotes **South-Southeast Asia economic integration** rooted in democratic values and sustainable development.

Conclusion

India's internal transformation of the Northeast and external engagement through **BIMSTEC and the Act East Policy** represent a well-calibrated, synergistic strategy.

As geopolitical and environmental challenges mount—from China's assertiveness to climate vulnerabilities—India's **diplomatic maturity**, **regional partnerships**, and

development-first approach offer a **resilient and inclusive model** for regionalism in the Indo-Pacific.

Regional Rural Banks (RRBs)

Syllabus: GS-3: Indian Economy – Banking in India.

Context:

- The **Ministry of Finance** has notified the **amalgamation of 26 Regional Rural Banks (RRBs)** across **10 states and 1 Union Territory**, effective **May 1, 2025**.
- This reform reduces the **total number of RRBs to 28**.

What is the One State, One RRB Policy?

- A **reform initiative** by the **Department of Financial Services**, Ministry of Finance.
- Aims to **consolidate multiple RRBs within a state into a single entity**.

Origin:

- Based on the **Dr. Vyas Committee Recommendations (2005)**.
- Part of long-term structural reforms in rural banking.

Objectives:

- Enhance **operational efficiency** and **governance**.
- **Rationalize costs** and optimize **human and technological resources**.
- Eliminate **inter-bank competition** within a state (sponsor banks).
- Strengthen **credit delivery** and **financial inclusion**.

Benefits of Consolidation:

- **Larger operational areas** → Improved outreach and economies of scale.
- **Unified technology platforms** → Standardized banking services.
- **Stronger credit exposure** → Better **risk management** practices.
- **Single sponsor bank** → More focused and accountable governance.
- **Better utilization** of staff, infrastructure, and IT.

About Regional Rural Banks (RRBs)

Establishment:

- **Year:** 1975
- **Act:** Regional Rural Banks Act, 1976
- Recommended by: Narasimham Committee (1975)

Regulatory Structure:

- **Regulated by:** Reserve Bank of India (RBI)
- **Supervised by:** NABARD (National Bank for Agriculture and Rural Development)

Ownership Pattern:

Entity	Shareholding
Government of India	50%
State Government	15%
Sponsor Bank	35%

Objectives of RRBs:

- **Rural Development:** Credit support for agriculture, trade, rural industries, and services.
- **Financial Inclusion:** Reach **small & marginal farmers**, artisans, laborers, and rural entrepreneurs.
- **Priority Sector Lending:** Target sectors like **agriculture and MSMEs**.
- **Institutional Credit:** Act as a **supplement to cooperative banks** in rural credit delivery.

Significance of RRBs:

- Critical in achieving the **government's financial inclusion goals**.
- Serve as a **grassroots-level banking institution** focused on rural upliftment.

India, rising power demand and the 'hydrogen factor

Syllabus: GS-3: Renewable Energy

Context:

The goal of achieving a net-zero economy can be realised only by massive electrification of end uses of energy.

India's Key Energy Goals

Net Zero Emissions by 2070

- India targets carbon neutrality by 2070.
- Requires a major transformation in energy systems and sectoral decarbonization.

500 GW from Non-Fossil Sources by 2030

- Includes solar, wind, nuclear, and hydro energy.
- Supports clean electricity transition.

Nuclear Energy Expansion

- Aim: 100 GW of nuclear capacity by 2047.
- Provides reliable **base-load power** alongside intermittent renewables.

National Green Hydrogen Mission

- Focus: Produce green hydrogen using **renewable energy**.
- Application: Decarbonizing industries like **steel, fertilizers, transport**.

Electrification of End-Use Sectors

- Shift to **electric vehicles, heat pumps, electric furnaces**.
- Reduces fossil fuel dependency.

Reasons for Rising Energy Demand in India

Economic Growth Aspirations

- Push to become a **developed economy**.
- Per capita electricity consumption expected to **triple by 2040**.

Population Growth & Urbanisation

- Urban lifestyle adoption drives up energy needs.
- Urban energy use is **twice that of rural India**.

Industrial Decarbonisation

- Industries transition to **clean inputs** (e.g., hydrogen in iron ore reduction).

Digital & Automation Push

- Growth of **data centres, smart infrastructure, and AI** increases power demand.

Climate Adaptation Needs

- Increased demand for **cooling, irrigation, flood/disaster management**.
- Electricity is crucial for climate resilience.

Existing Solutions to Energy Demand

Renewable Energy Expansion

- Rapid growth in **solar, wind, hydro** capacity.

Base-Load Nuclear Power

- Provides **reliable, low-carbon** energy.

Battery Storage Systems

- Store renewable energy for **non-generating hours**.

Electrolyser-Based Hydrogen Production

- Converts surplus electricity into **green hydrogen**.

Flexing Coal Plants

- Temporarily adjust coal output to **balance renewable peaks**.

Challenges with Existing Solutions

Intermittency of Renewables

- Solar only during the day; wind is seasonal.
- Cannot ensure **24/7 power** independently.

Cost-Inefficient Flexing of Nuclear

- High capital but low marginal cost → **uneconomical to reduce output**.

Expensive Battery Storage

- **High costs** and reliance on scarce materials (e.g., lithium).

Hydrogen & Storage Treated Separately

- Lack of **integration** leads to inefficiencies.

Unclear Hydrogen Taxonomy

- **Green hydrogen** currently excludes **nuclear-based hydrogen**.
- Limits classification of **low-carbon hydrogen**.

Way Forward: Hydrogen as a Solution

Redefine Green Hydrogen as Low-Carbon

- Use **carbon-intensity criteria** (e.g., <2 kg CO_2/kg H_2).
- Allows **nuclear-based hydrogen** under green label.

Integrate Hydrogen with Storage

- Combine **hydrogen production** with **battery storage**.
- Improves efficiency, reduces need for excess infrastructure.

Accelerate Nuclear Power Roll-out

- Invest in **PHWRs (Pressurised Heavy Water Reactors)** and **BSRs (Boiling Water Reactors)**.
- Support from NPCIL's 26-unit expansion plan.

Incentivise Industrial Hydrogen Use

- Encourage sectors like **fertilisers, steel, and transport** to adopt hydrogen.
- Utilize **off-peak electricity** for hydrogen production.

Strengthen Grid Flexibility Tools

- Deploy **AI-driven demand management**, **smart meters**, and **digital grid balancing**.

Conclusion

- India's **clean energy future** lies in a **synergistic approach** combining:
    - **Nuclear energy** for base-load
    - **Renewables** for sustainability
    - **Hydrogen** for industrial decarbonization
    - **Smart grids and storage** for flexibility
- With the right **policies and innovations**, India can emerge as a global leader in the clean energy transition.

World Pandemic Treaty

Syllabus: GS-3: General Science – Health related treaties.

Context:

- World Pandemic Treaty (Draft Finalised in 2024)

What is it?

- A **legally binding international instrument** under the World Health Organization (WHO).
- Aims to **strengthen the global response** to future pandemics.
- Negotiated by the **Intergovernmental Negotiating Body (INB)** formed in **December 2021**.

Objectives

- Improve **pandemic prevention, preparedness**, and **equitable response**.
- Based on the **One Health approach**, integrating:
    - **Human health**
    - **Animal health**
    - **Environmental health**

Key Features

- Establishes a **pathogen access and benefit-sharing** mechanism.
- Strengthens **global supply chains and logistics** for health emergencies.
- Facilitates **technology and knowledge transfer** related to:
    - Vaccines
    - Diagnostics
    - Therapeutics
- Supports creation of a **skilled global health workforce**.
- Promotes **geographically balanced R&D** capacities.
- Upholds **national sovereignty**:
    - WHO **cannot enforce** lockdowns, travel bans, or vaccinations.

World Health Organization (WHO)

Establishment

- Founded in **1948** as a **specialized UN agency** for international public health.

Headquarters

- Located in **Geneva, Switzerland**.

Core Objectives

- Promote **Universal Health Coverage (UHC)**.
- Combat **disease outbreaks** and ensure **global health security**.
- Assist nations in **health policy formulation** and **emergency preparedness**.

Governance Structure

- **World Health Assembly (WHA)**:
  - Supreme decision-making body; meets **annually**.
- **Secretariat**:
  - Executes decisions under the leadership of the **Director-General**.
- **Regional Offices**:
  - Six offices worldwide (e.g., Africa, South-East Asia) for regional coordination.

Funding Mechanism

- **Assessed Contributions**:
  - Compulsory dues from member states.
- **Voluntary Contributions**:
  - Donations from:
    - Member countries
    - UN agencies
    - Private sector
    - Philanthropic organizations