



REGIONAL CONNECTIVITY: INDIA'S ROLE IN THE GREAT GAME

INTRODUCTION

At a time when connectivity has become 'the New Great Game' across the globe, India too is exhibiting greater interest and a larger commitment to the concept. In recent years, connectivity in different forms - physical or digital, especially at the regional level has become one of the dominant narratives in Indian policy making. There has been a renewed focus on connectivity with efforts being made in India's immediate & extended neighbourhood by initiating activities including upgrading ports, rail and airport infrastructure, laying of new pipelines, building electricity networks and reinvigorating people-to-people exchanges.

However, despite such extraordinary progress on various fronts, India's ambition towards regional connectivity has been exposed to implementation deficits, revealing challenges in coordination and execution. Given the correlation between connectivity and economic growth in today's times, we need to firstly understand **what regional connectivity entails and what importance does it hold? Why has regional connectivity emerged as a strategic priority for India in the recent times? What has been India's strategy towards regional connectivity? What are India's key regional connectivity projects and initiatives? What are the challenges that India faces in its**

cross-country regional connectivity projects? How can India overcome these challenges to reap the benefits of regional connectivity and emerge as a regional leader? In this edition, we will attempt to answer these questions.

What does regional connectivity mean and why is it considered important for regional growth?

Regional connectivity is a multifaceted concept and requires integrating different types of **regional networks such as trade and transport, information and communications technology (ICT), energy infrastructure and people-to-people networks** across countries.

These regional networks reinforce each other and can be seen as a **“regional public good”**, whereby the collective benefit for the region exceeds the cost of development of individual sections of the network.

Regional connectivity covers both-

physical connectivity or hard infrastructure- includes transport (road, railways, marine ports, airports etc.), energy (electricity transmission grids, oil pipelines etc.), digital connectivity (satellites, submarine cables, optical fibre networks etc.)

associated policy-related and institutional connectivity or soft infrastructure- includes the critical areas of financing of infrastructure, trade facilitation, trade and investment reforms, institutions for coordination etc.

Enhancing connectivity is considered important for facilitating regional economic integration for the benefit of the all the parties involved and contributes to regional growth in the following ways:

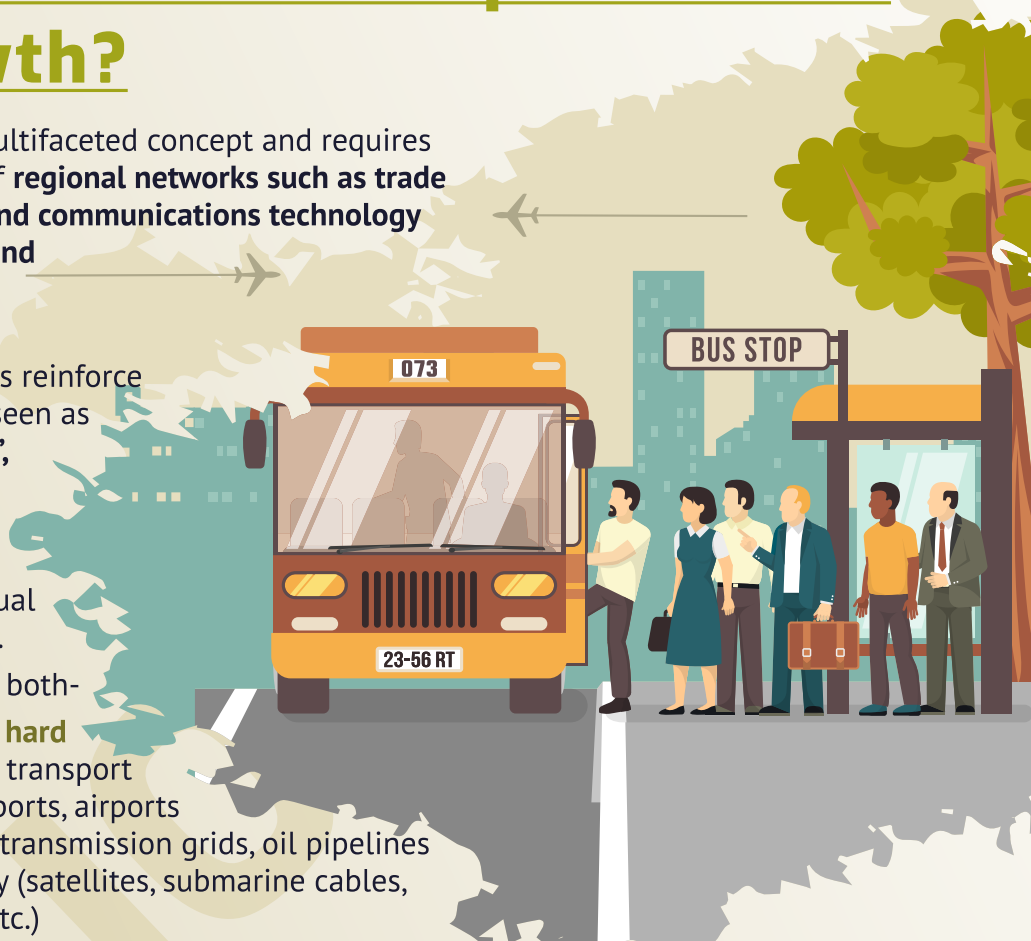
Development of efficient supply chains: Enhanced regional connectivity opens up possibilities for production networks and value chains to develop within the subregion, enhancing the competitiveness of final products from the region in the world markets. This also enhances the ability of the region to successfully participate in Global Value Chains (GVCs).

Reducing inequality: Efficient and cost-effective mobility and trade leads to improved access to opportunities such as labour and food markets etc., and facilities such as health, energy, and education, amongst others. Consequently, it helps in reducing inequality within and between countries.

Also, agglomeration effects associated with increased trade and migration and changes in the local economic structure can aid growth of income and consumption and the creation of new jobs.

Regional integration: Development of connectivity, especially of transportation linkages, energy pipelines, and information and communication technology (ICT) across any region, contributes to regional integration by reducing transaction costs and facilitating intraregional trade and investment.

Also, closer trade and people to people linkages help build trust throughout a region and reduce political barriers between nations.

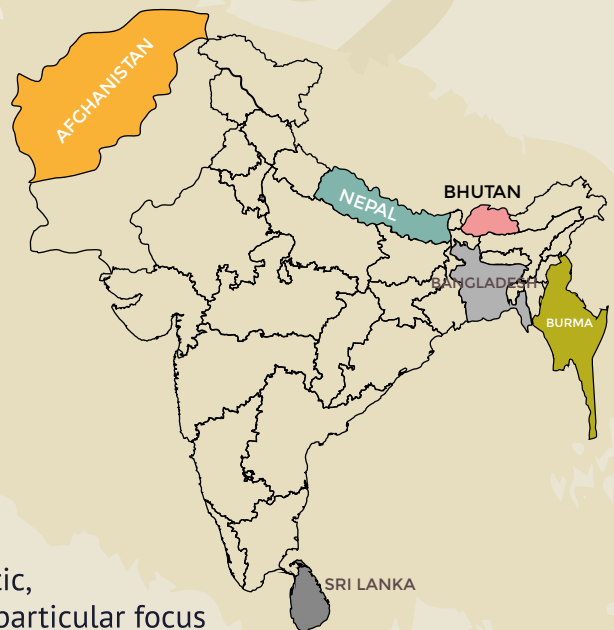


- 🎯 **Climate change mitigation:** Interconnected power systems can reduce the need to build reserve capacity in individual systems, create economies of scale to generate electricity with lower per-unit costs, and offer climate benefits.
- 🎯 **ICT as an enabler and driver of growth:** Digital connectivity can radically transform ways in which businesses operate and people interact, as they drive productivity and efficiency improvements in almost every sector of the economy.
- 🎯 **Transitioning to knowledge-based economies:** In order to diversify their economies and move up in value chains, countries need people who have the skills and knowledge, as well as the innovative spirit to develop both new products and processes. Strengthening knowledge networks for tertiary education, knowledge generation and knowledge sharing can help build the region's knowledge and skills base.

Why has regional connectivity emerged as a strategic priority for India in recent times?

India made both intra- and inter-regional connectivity a policy priority in 2014. Within South Asia, Indian government framed a Neighbourhood First policy to build regional networks with focus on its immediate neighbourhood- Bangladesh, Bhutan, Nepal, Afghanistan, Myanmar, Sri Lanka etc.

India also ambitiously aims to expand these networks to its extended neighbourhood in Central & South-East Asia. Apart from seeking benefits that can be accrued from regional growth and development, following factors can be held responsible for growing **significance of regional connectivity in India's foreign policy narratives-**



- 🎯 **Rise of China:** Beijing has massively expanded its diplomatic, economic, and political footprint across South Asia with a particular focus on infrastructure finance and development. At the same time, China has also garnered considerable influence among India's neighbouring countries by leveraging its power of veto in the UN Security Council (UNSC). The most recent example of such leverage is China's blocking of the UNSC statement condemning the military coup in Myanmar.
 - India's efforts to enhance interconnectedness can act as a new theatre for geopolitical competition with China in South Asia and present India with an opportunity to re-establish its regional primacy.
- 🎯 **Energy security amid growing energy demand:** Energy connectivity is an essential component of India's connectivity initiatives in the region as new forms of energy cooperation can help balance the gaps in supply and demand across countries.
 - For example, wet seasons in Bhutan and Nepal, which produce hydro power, coincide with summer peak demand in India and Bangladesh, creating power export opportunities.
- 🎯 **India as a supply chain hub:** Regional connectivity can play critical role in establishment of key networks to help India emerge as a global supply hub, as the world community is focused on developing new supply and value chains to replace those disrupted by the pandemic.
- 🎯 **Domestic benefits within North-East:** Enhanced regional connectivity can facilitate the development of India's much-neglected landlocked, underdeveloped and conflicted Northeast region, which could bring both economic and strategic benefits for India.
- 🎯 **Establish India's Global standing:** Connectivity provides India a tool to stay relevant in the global context through alternate ways by offering recipient countries geographical routes and providing access to more investment, better technologies, larger markets, and greater economic transformation.

- **Cultural vision:** Presently, India's connectivity approach is shaped by a cultural vision that claims to reactivate India's past centrality as a civilisational power. For instance, cultural links and shared history of Hindu and Buddhist heritage exist between India and Nepal.

Are there any downsides to regional connectivity?

There are some potential negative consequences of enhanced connectivity as well, emerging from dangers related to enhanced mobility and mismanagement of connectivity projects:

- **Social and environmental externalities** such as those arising from development of infrastructural projects such as displacement of vulnerable communities, destruction of ecologically sensitive regions etc.
- **Spatial distortions, differential capabilities and socio-economic disparities in the region** can lead to increased inequality with benefits being concentrated in specific countries or regions.
- **Increased risks of contagion**, through supply chains or increased mobility, e.g., the spread of coronavirus disease across several countries from Wuhan, China.
- **Social Issues and associated Criminal Activities:** Illegal migration, human trafficking, narcotics use, and drug trafficking are existing trans-boundary problems that could be further aggravated by greater connectivity.
- **Security issues:** Insurgent groups active in Border states might have unhindered access to neighbouring regions, and that could pose greater challenges to the National authorities to monitor the activities of insurgents and curb the menace.

What has been India's strategy towards regional connectivity?

India's broadest connectivity vision encompasses development partnerships extending from "the islands of the Indian Ocean and Pacific to the islands of the Caribbean and from the continent of Africa to the Americas."

The objective of attaining this breadth is to transition from being a regional leader to a global player. In this regard, India has made several endeavours to emerge as a global player and enhance connectivity beyond its regional limits:

- **India- European Union (EU) comprehensive Connectivity Partnership:** It aims to support resilient and sustainable connectivity projects in India and other nations and regions like Africa, Central Asia, and the Indo-Pacific. The said India-EU partnership covers digital, energy, transport and people-to-people sectors. It is aimed at pooling together resources, norms and expertise to serve the needs of the next generation of sustainable and quality infrastructure.



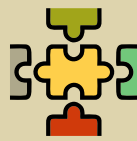
- **One Sun One World One Grid (OSOWOG):** Under this initiative India plans to build a global ecosystem of interconnected renewable energy resources that are seamlessly shared for mutual benefits and global sustainability. Phase 3 of this initiative plans to achieve Global interconnection.
- **Indo-Pacific Oceans Initiative (IPOI):** The IPOI is an open global initiative that draws on existing regional cooperation architecture and mechanisms. It envisages practical implementation of India's Indo Pacific vision through seven pillars of cooperation and collaboration, with connectivity being one such pillar.
- **Asia-Africa Growth Corridor (AAGC):** It is an economic cooperation agreement between the governments of India, Japan and multiple African countries.

Understanding the principles of India's approach to connectivity via AAGC



TRANSPARENT

AAGC envisages people centric sustainable growth strategy, through a process of detailed consultations across Asia and Africa, engaging various stakeholders.



INCLUSIVE

The strengths of AAGC will be aligned on Japanese ethos of working with quality and India's long and historic people-centric partnership with African countries.



SUSTAINABLE

Priority to development projects in health and pharmaceuticals, agriculture & agro-processing, disaster management and skill enhancement.



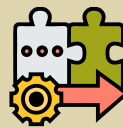
COMPREHENSIVE

The AAGC is focused on four priority areas, namely, development projects, quality infrastructure and institutional connectivity, skill development and capacity building, and people-to-people cooperation.



RULES BASED

The AAGC serves as the point of intersection between the philosophies of India & Japan where they emphasise on freedom and openness as an alternative to China's opaque BRI projects.



RESPECT FOR SOVEREIGNTY AND TERRITORIAL INTEGRITY

The AAGC also converges with the current African plan for the transformation of the continent in the next 50 years, the Agenda 2063.





RESPONSIBLE AND VIABLE

The objective of the AAGC is to boost trade, development, and investment in Africa that would expedite infrastructure and connectivity projects to align with the development priorities of Africa.

What are India's key regional connectivity projects and initiatives?

India has been pro actively engaged in developing hard and soft infrastructure to enhance inter and intra-regional connectivity in South Asia. These projects are at different stages in their life cycle; some at the verge of completion and some at the proposal stage. Following are the major connectivity projects led by India:



 <p>Transport infrastructure</p>	<ul style="list-style-type: none"> ➤ Kaladan Multimodal Transit Transport Project (KMTTP) envisages connectivity between Indian ports and the Sittwe port in Myanmar, and road and inland waterway links from Sittwe to India's northeastern region. ➤ India-Myanmar-Thailand Trilateral Highway Project: A 13,660 km cross-border highway, linking Moreh (India), Bagan (Myanmar), and Mae Sot (Thailand). ➤ Construction of Integrated Check Posts (ICPs) to facilitate trade and mobility along the borders with Nepal, Bangladesh, Bhutan, and Myanmar. ➤ Chabahar Port, jointly being developed by India, Iran and Afghanistan for multi-modal transport of goods and passengers. It complements the Zaranj-Delaram highway built by India in Afghanistan. ➤ International North-South Transport Corridor (INSTC): A multi-modal transportation connecting Indian Ocean and Persian Gulf to the Caspian Sea via Iran and then to Saint Petersburg and Northern Europe via Russia.
 <p>Energy Connectivity</p>	<ul style="list-style-type: none"> ➤ Oil and gas Pipelines: <ul style="list-style-type: none"> ■ South Asia's first cross-border petroleum products pipeline from Motihari in India to Amlekhgunj in Nepal. ■ India-Bangladesh Friendship Pipeline from Siliguri to Parbatipur in Bangladesh for supply of high speed diesel. ■ Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline: It is a proposed trans-country natural gas pipeline running across the four countries. ➤ Indian Energy Exchange (IEX) for facilitating Cross border electricity trade. ➤ One sun one world one grid (OSOWOG): Phase 1 of OSOWOG is focused on Indian Grid interconnection with the Middle East-South Asia-South East Asia grids to share solar and other renewable energy resources for meeting electricity needs.
	<ul style="list-style-type: none"> ➤ Mekong-Ganga Economic Corridor: It is an initiative by six countries – India and five ASEAN countries, namely, Cambodia, Lao PDR, Myanmar, Thailand and Vietnam for cooperation in tourism, culture, education, as well as transport and communications.

 <p>Multilateral engagements</p>	<ul style="list-style-type: none">➤ South Asia Sub-regional Economic Cooperation (SASEC): It brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the subregion.➤ Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC): It is a regional organization comprising seven Member States- Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand- lying in the littoral and adjacent areas of the Bay of Bengal constituting a contiguous regional unity.<ul style="list-style-type: none">■ Recently, BIMSTEC Conclave of Ports summit was held in India to strengthen maritime interaction, port-led connectivity initiatives and sharing best practices among member countries.
 <p>Logistics Agreements</p>	<ul style="list-style-type: none">➤ Protocol on Inland Water Transit and Trade (PIWTT), between India and Bangladesh to add new routes and ports and facilitate transit cargo movement through Bangladesh's vast inland waterway network.➤ Motor Vehicles Agreement (MVA) between Bangladesh, Bhutan, India, and Nepal (known as the BBIN countries), seeks to facilitate the unrestricted cross-border movement of cargo, passenger, and personal vehicles between BBIN countries.➤ Trilateral Agreement on Establishment of International Transport and Transit Corridor between India, Iran and Afghanistan allowing Indian goods to reach Afghanistan through Iran.➤ Ashgabat Agreement: In 2018, India was admitted to Agreement on the Establishment of an International Transport and Transit Corridor (Ashgabat Agreement) between the Governments of the Iran, Oman, Turkmenistan and Uzbekistan.
 <p>Digital Connectivity</p>	<ul style="list-style-type: none">➤ South Asian Satellite (GSAT 9) communications and meteorology satellite for SAARC countries by the Indian Space Research Organisation.➤ India's digital villages in Mekong countries to promote knowledge partnership.➤ e-VidyaBharati and e-ArogyaBharati Networks in Africa to provide quality tele-education and tele-medicine facility from India.
 <p>Other projects</p>	<ul style="list-style-type: none">➤ People to People exchanges to encourage cross country contacts among researchers, students, Business Consortiums etc. through Global Initiative for Academic Network (GIAN) and the Scheme for Promotion of Academic Research and Collaboration (SPARC).➤ Policy initiatives such as Neighbourhood First, Look and Act East, 'SAGAR'- 'Security and Growth for All in the Region' policy etc.➤ Financial incentives: To support Indian companies winning bids for strategic infrastructure projects in neighbouring countries, India announced a new Concessional Finance Scheme (CFS).<ul style="list-style-type: none">■ Under the Border Area Development Programme (BAPD) and the National Highways and Infrastructure Development Corporation Limited (NHIDCL), massive financial allotments to develop critical infrastructure in 17 border states and incentives to foster cross-border economic relations.➤ Project Mausam to re-establish communications among countries of the Indian Ocean, revive ancient maritime routes where the trajectory of monsoon winds (mausam) helped create shared knowledge systems, technologies and traditions, and re-connect this shared past with the present realities of the Indian Ocean security matrix – a unique blend of geo-culture with geopolitics.

What challenges does India face in its cross-country regional connectivity projects?

Geopolitical and Security challenges:

- ◆ **Intra-regional competition:** In South Asia, the BRI underscores the growing Sino-Indian competition in the subcontinent and the Indian Ocean region. By helping create multiple access points via roads and ports, China is able to present an alternative to South Asian nations and cultivating the means to challenge India's role in regional connectivity.
- ◆ **Uncertain Geopolitical conditions:** Political instability in the region hinders developmental activities. For example, Nepal was affected by political turmoil for a long time which put several of India's projects on hold.
- ◆ **Security of connectivity routes:** The region faces traditional and non-traditional challenges such as piracy, transnational crimes, insurgency, terrorism etc.

China's Belt and Road Initiative (BRI): A threat to India?

- ◆ The BRI was first formally announced as One Belt One Road by China in 2013. The initiative has two components- continental road (or the economic belt) connecting China to Europe through South and Central Asia and the Maritime Silk Road (MSR) which aims to create a sea corridor between China and Europe by way of the Indian Ocean.
- ◆ It is one of largest projects across the globe that focuses on improving connectivity and cooperation among multiple countries in Asia, Africa, and Europe. However, the project has given rise to some pressing concerns for India:
 - **Undermines Indian sovereignty and territorial integrity:** Passage of the China Pakistan Economic Corridor (CPEC) through Pakistan-occupied Kashmir disregard India's concerns about sovereignty and territorial integrity.
 - **Security in the Indian Ocean:** The MSR is a broader issue for India, as the Indian Ocean is a primary area of interest for the Indian Navy and is directly linked to the country's maritime security and strategic interests.
 - **BRI as tool to harm India's strategic interests:** BRI may grant China a platform to increase its geopolitical influence and use undue economic and diplomatic leverage over the policymaking decisions of India's neighbours in ways that disadvantage India.
 - There have been concerns that China has been engaging in Debt trap diplomacy to gain strategic assets in India's neighbourhood. For example, Sri Lanka had to hand over the port of Hambantota to China on a 99-year lease due to non-payment of Chinese borrowings.
 - **Negative impact on India's image as a regional leader:** The increasing engagement of India's neighbours with the BRI exposes India's inability to offer substantial development assistance to its smaller neighbours and also underlines India's lack of strategic engagement with its neighbourhood.

Economic and Operational challenges:

- **Financial constraints:** Financing cross-regional infrastructure projects remains challenging. Cross-border financing tools do not exist as risk-averse private investors are hesitant to cross borders alone. Public sector funding plays a major role in financing infrastructure projects but is increasingly becoming subject to fiscal constraints.
- **Prolonged delays in implementation of projects** due to issues such as bureaucratic delays, slow land acquisition processes, procedural bottlenecks, delays in regulatory and environmental clearances etc.
 - For instance, the work on the Kalewa-Yagyi stretch of the India–Myanmar–Thailand Trilateral Highway has been delayed for a number of reasons including the challenge of building roads with steep gradients and sharp curves.
 - In a post-COVID-19 scenario, with stretched resources, the completion of these projects could be further delayed.

Prevalent logistical bottlenecks:

- **Barriers to trade connectivity:** Owing to protectionist policies, high logistics cost, lack of political will and a broader trust deficit, the share of intra-regional trade in South Asia remains well below its potential at 5% compared to 30% in the ASEAN region. This arguably makes South Asia, one of the world's least integrated regions.
 - **Cross-regional energy trade faces numerous barriers** including technical barriers, security concerns; infrastructure and financial barriers; regulatory barriers, distorted energy pricing and subsidy regimes; environmental issues involving construction of multipurpose projects; and political resistance to energy trade in some economies.
- **Lack of interconnectedness in regional blockings**
 - **The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC):** Dormancy in initial years followed by stalled progress in various initiatives are some of the major criticisms faced by this grouping. For instance, differences between India and Thailand over market access for professionals, duty cuts on traded goods and policy relaxation stalled the process of concluding a long-pending Free Trade Agreement (FTA) among BIMSTEC nations.
 - **The South Asian Association for Regional Cooperation (SAARC):** The grouping was mooted on the lines of ASEAN, and contemplated the South Asian Economic Union (SAEU) to promote Free Trade Area, Customs Union, a Common Market and a Common Economic and Monetary Union. However, it never took off due to obstructions by Pakistan.
- **State of domestic connectivity infrastructure:** Physical connectivity infrastructure within India remains inadequate to support regional connectivity.
 - For instance, sections of bordering roads are of inadequate quality, and there are several key missing links for efficient cross border connectivity; railway links suffer from similar issues, exacerbated by the fact that gauges are not consistent; ports in the Bay of Bengal are handicapped by quality and capacity constraints, and are unable to handle a significantly growing trade volume efficiently.
- **Non-physical barriers at borders:** Absence of synchronized regulations and customs procedures have led to increase in trade and transport costs and delays in the movement of goods and people.

Other challenges-

- **Lack of coordinated efforts:** India's foreign infrastructure policy-making process is incoherent and decentralised and lacks adequate focus on regional connectivity. There exists significant implementation deficiencies and policy coordination challenges between various ministries.
- **Troubled relationships with neighbours:** Intra-regional discord between India and several of its neighbouring countries like Pakistan and China due to border issues, geopolitical competition, etc. has hindered India's efforts towards regional integration.

- For instance, according to the Afghanistan-Pakistan Transit Trade Agreement (APTTA), Afghan goods can enter India via Pakistan through the Wagah border crossing, but Indian goods are not allowed to enter Afghanistan through Pakistan.
- 🗨️ **Dearth of research on changing dynamics in South Asia:** South Asian and neighbourhood studies have been neglected for decades at Indian universities and there is a generational gap of experts, for example on the rapidly changing political, economic and social dynamics of Bhutan, Nepal or Myanmar.
 - For example, India failed to predict social changes in Bhutan that led to delayed implementation of the BBIN Motor Vehicle Agreement.

How can India overcome these challenges to reap the benefits of regional connectivity and emerge as a regional leader?



- 🗨️ **Strengthening cross-sectoral and multifaceted approaches to connectivity:** An Indian connectivity strategy will have to be implemented in coordination with new stakeholders, including sectoral ministries (e.g. power or shipping), state governments, and political parties (e.g. in Uttar Pradesh for Nepal, or Mizoram for Myanmar), private sector interests (infrastructure companies and industrial lobbies), civil society representatives (e.g. universities or environmental activists), and also multilateral organisations (e.g. the Asian Infrastructure Investment Bank [AIIB]).
 - A **specialised national agency can be created under the Ministry of External Affairs** to oversee and coordinate implementation of overseas connectivity projects, which can draw upon the expertise of various other agencies and departments of the Government of India.
- 🗨️ **Prioritise India's unique selling points (USPs):** Some examples are stated below:
 - India has the capacity to be a regional **hub for transparent and efficient trade in electricity**. With the International Solar Alliance located in India, harmonising regional product and supply standards and converging business regulations present an opportunity to enhance the free flow of electricity across borders.
 - India has made commendable strides in the field of outer space and can use its space capabilities to enhance people to people connectivity through conducting regional programmes for space research. Also, **India's space capabilities** can be further used to expand digital connectivity in the region, develop integrated warning systems etc.
- 🗨️ **Leveraging public funds together with global capital flows:** India can use public funds (including sovereign wealth funds and pension funds) to spur private investments in sustainable connectivity projects, through tools such as direct investments, Infrastructure Investment Trusts, green bonds including green Masala bonds, Infrastructure Debt Funds, Real Estate Investment Trusts, and Export Credits.

- ◉ **Implement small and actionable initiatives:** Cross-border projects should be selected through proper data analysis and project evaluation techniques. India must have a blueprint to identify specific viable and sustainable projects, mechanisms, and goals for its connectivity initiatives.
- ◉ **Successful connectivity policy requires trade openness:** India should encourage trade openness and trade facilitation among South Asian countries through bilateral and multilateral agreements.
 - **Greater use of ICT applications for trade and transport facilitation** both behind and at borders, can help improve the efficiency of freight movements and pave the way for the development of paperless trade and e-logistics.
- ◉ **Coordination and cooperation with extra regional actors:** Countries like Japan and the US are potential partners for furthering India's regional ambitions. India can identify the advantages each of these states offer and leverage them to collaborate in areas of common interest and pursue its strategic connectivity goals.

CONCLUSION

In today's era, connectivity is vital and does more than just enhance trade and prosperity. In addition to the short-term impact of investments in connectivity infrastructure in enhancing access to markets and opportunities, there are also medium and long-term effects in strengthening the foundation for future economic growth, including through making labour markets more efficient and productive. Thus, the current trend in India's foreign policy approach to treat connectivity as a strategy in the regional, inter-regional and global arenas is appreciable. However, India needs to fast track and expedite its projects undertaken, so that India's image and goodwill as a credible investor remains intact.



TOPIC AT A GLANCE

Regional connectivity

A multifaceted concept that requires **integrating different types of regional networks** such as trade and transport, information and communications technology (ICT), energy infrastructure and people-to-people networks across countries.

Importance for regional growth

- Development of regional supply chains.
- Reduces inequality by improving access to opportunities and facilities.
- Regional integration by facilitating intra regional trade and investment and people to people linkages.
- Interconnected power systems can aid in **Climate change mitigation**.
- Digital connectivity acts as an enabler and driver of growth.
- Strengthening knowledge networks can help countries **transition to knowledge based economies**.

Physical connectivity or hard infrastructure

- Transport:** road, railways, marine ports, airports etc.
- Energy:** electricity transmission grids, oil pipelines etc.
- Digital connectivity:** satellites, submarine cables, optical fibre networks etc.

Associated policy-related and institutional connectivity or soft infrastructure

- Financing of infrastructure
- Trade facilitation agreements
- Trade and investment reforms
- Institutions for cooperation etc.

Reasons for regional connectivity emerging as a strategic priority for India

- A new theatre for geopolitical competition with China in South Asia.
- Fulfilling India's growing energy demand through new forms of energy cooperation.
- Establishment of key networks to help India emerge as a global supply hub.
- It can facilitate the development of India's much-neglected landlocked, underdeveloped, and conflicted Northeast region.
- Strengthening India's Global standing and fulfilling India's cultural vision.

India's strategy

Vision- Partnerships extending from "the islands of the Indian Ocean and Pacific to the islands of the Caribbean and from the continent of Africa to the Americas."

Principles of India's connectivity approach

- Transparency
- Sustainability
- Rules Based connectivity
- Responsible and Viable connectivity projects
- Inclusivity
- Comprehensiveness
- Respect for Sovereignty and Territorial Integrity

India's key regional connectivity projects and initiatives

Transport infrastructure	Kaladan Multimodal Transit Transport Project (KMTP); India-Myanmar-Thailand Trilateral Highway Project; Chabahar Port; International North-South Transport Corridor (INSTC).
Energy Connectivity	Oil and gas Pipelines such as India-Bangladesh Friendship Pipeline; Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline; Cross border electricity trade through Indian Energy Exchange (IEX).
Multilateral engagements	Mekong-Ganga Economic Corridor; South Asia Sub-regional Economic Cooperation (SASEC); Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC).
Logistics Agreements	Protocol on Inland Water Transit and Trade (PIWTT); Motor Vehicles Agreement (MVA); Trilateral Agreement on Establishment of International Transport and Transit Corridor; Ashgabat Agreement.
Digital Connectivity	South Asian Satellite (GSAT 9); India's digital villages in Mekong countries; e-VidyaBharati and e-ArogyaBharati Networks in Africa.
Other projects	People to People exchanges through Global Initiative for Academic Network (GIAN) and the Scheme for Promotion of Academic Research and Collaboration (SPARC); Policy initiatives- Neighbourhood First, Look and Act East, SAGAR etc.; Concessional Finance Scheme (CFS); Project Mausam.
Engagements for global connectivity	India- European Union (EU) comprehensive Connectivity Partnership; One Sun One World One Grid (OSOWOG); Indo-Pacific Oceans Initiative (IPOI); Asia-Africa Growth Corridor (AAGC).

Challenges

- Geopolitical and Security challenges:** Intra-regional competition with China's Belt and Road Initiative (BRI); Uncertain Geopolitical conditions; Security of connectivity routes.
- Economic and Operational challenges:** Financial constraints; Prolonged delays in implementation of projects.
- Prevalent logistical bottlenecks:** Barriers to cross country trade in South Asia; Lack of interconnectedness in regional blockings such as BIMSTEC and SAARC; Inadequate domestic connectivity infrastructure; Non-physical barriers at borders.
- Other challenges:** Lack of coordinated efforts in India's foreign infrastructure policy-making process; Troubled relationships with neighbours; Dearth of research on changing dynamics in South Asia.

Way Forward

- Strengthening cross-sectoral and multifaceted approaches to connectivity: E.g. Creating a specialised national agency under the Ministry of External Affairs.
- Prioritise India's unique selling points (USPs) like International Solar Alliance for cross border trade in electricity and India's space capabilities.
- Leveraging public funds together with global capital flows for financing projects.
- Implementing small and actionable initiatives.
- Trade openness and trade facilitation through bilateral/multilateral agreements and greater use of ICT applications for trade and transport facilitation.
- Coordination and cooperation with extra regional actors like Japan and the USA.