



# **TODAY'S ANALYSIS**

## **(29 January 2025)**

### **TOPICS TO BE COVERED**

- **BLUE CARBON**
- **INDIA INDONESIA RELATIONS**
- **MCQs**



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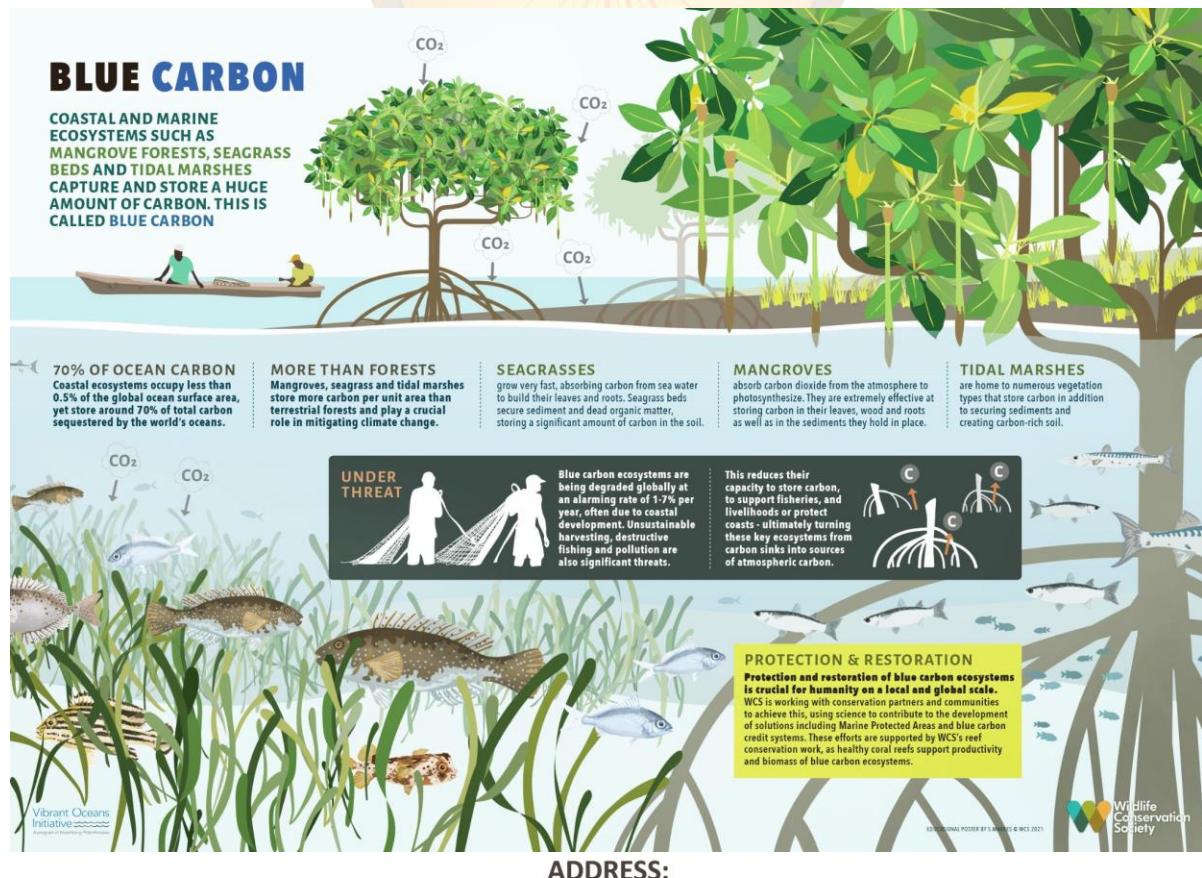
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# BLUE CARBON

## What is Blue Carbon ?

- Blue carbon refers to the carbon captured and stored by coastal ecosystems, specifically mangroves, seagrasses, and salt marshes.
- These ecosystems act as some of the most effective carbon sinks, sequestering large amounts of carbon dioxide from the atmosphere and helping to mitigate climate change.
- The importance of blue carbon is gaining increasing recognition in global climate action strategies.





## WHY IN NEWS?

- A report titled **Blue Carbon and its role in Carbon Sequestration** published in June 2024 revealed that **mangroves alone have the capacity to store more than 1,000 tons of carbon per hectare.**
- They also **store 3 to 5 times more carbon per equivalent area than tropical forests**, as per the article **Coastal Blue Carbons**, by the **National Oceanic and Atmospheric Administration (NOAA)**.

## BLUE CARBON ECOSYSTEMS

- **Mangroves, Seagrasses, and Salt Marshes:** These ecosystems collectively make up the "blue carbon" ecosystem.
  - They are important in the **fight against climate change** due to their **remarkable ability to capture and store carbon**, which helps to offset global emissions.
- **Global Mangrove Restoration Potential:** If **10% of degraded mangroves worldwide were restored**, it could **sequester an additional 1.6 billion tons of carbon**.

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- **Additional Environmental Benefits of Mangroves:**

- **Soil Erosion Prevention:** The roots of mangrove trees stabilize coastal soils, reducing erosion and protecting shorelines from storm surges.
- **Marine Life Habitat:** Mangrove forests provide vital habitats for a wide range of marine species, contributing to biodiversity and providing breeding grounds for fish, crustaceans, and other marine organisms.

## ECONOMIC & POLICY CHALLENGES

- **Mangrove Loss and Degradation:**

- **Myanmar's Mangrove Loss:** Myanmar has lost a significant portion of its mangrove forests.
  - Once home to over 1.2 million hectares of mangroves, only less than 500,000 hectares remain.
  - The Ayeyarwady Delta alone has seen a 64% loss of its 270,000 hectares of mangroves in just 35 years.
- Causes include agricultural expansion, aquaculture, and coastal development driven by economic pressures and population growth.

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- **Global Drivers of Mangrove Loss:** Agricultural land demand, particularly for rice and shrimp farming, has been **responsible for 38% of global mangrove loss.**
- **Challenges in Carbon Credit Systems:**
  - **Blue Carbon Credits:** These are instruments used in **carbon markets** to **represent the carbon sequestered by coastal ecosystems**, like mangroves and seagrasses.
  - They are **used to offset emissions from industries and businesses.**
  - However, **blue carbon credit systems** face significant **economic policy hurdles**, such as:
    - **High Costs and Complex Verification:** The process of **generating and verifying blue carbon credits** is complex, expensive, and often lacks transparency.
    - **Transparency Issues:** For example, the **REDD+ project in Cambodia** faced issues in proving that its carbon credits contributed effectively to environmental restoration, raising doubts about the integrity of such programs.

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- **Corruption and Mismanagement: In Bangladesh's Sundarbans mangrove forest**, corruption in the **Bangladesh Forest Department (BFD)**, including **illegal logging, bribery, and mismanagement**, has severely undermined **conservation efforts**, accelerating the degradation of this critical ecosystem.

## INNOVATIVE SOLUTIONS AND PROGRESS IN BLUE CARBON INITIATIVES

- **Australia's Blue Carbon Method:**
  - The **Blue Carbon Method** was developed by the Australian government as part of the **Emissions Reduction Fund** to simplify the process of including coastal wetland restoration in carbon markets.
  - This has **encouraged investments in the restoration of ecosystems** like mangroves and seagrasses.
  - The **South Australia Tidal Restoration Project** is an **example of successful coastal ecosystem restoration**, which has received positive results due to clear guidelines and robust verification practices.

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- **Carbon Credit Issuance:** As of December 2024, the **Australian Carbon Credit Unit Scheme (ACCU)** has issued approximately 16.45 million ACCUs through such projects.
- **Technological Innovations:**
  - **AI and Remote Sensing:** AI mapping technologies are now used to monitor seagrass meadows and other coastal ecosystems, allowing for more effective tracking of ecosystem health and carbon sequestration.
  - **Blockchain for Transparency:** Blockchain technology is being applied to ensure transparency in the verification and transaction of carbon credits, which helps build trust in the integrity of the carbon credit market.
- **Community-Driven Restoration:**
  - **Indonesia's MERA Program:** The **Mangrove Ecosystem Restoration Alliance (MERA)** has been instrumental in restoring mangrove areas in Indonesia.
  - This initiative has **improved local economies through sustainable fisheries.**
  - By early 2024, **262 hectares of mangroves** had been restored, and plans were in place for restoring **398,779.78 hectares.**

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- **Community Impact:** MERA's success has connected environmental health with economic stability, benefiting local communities by enhancing fisheries and providing other economic incentives.

## ECONOMIC IMPERATIVE OF BLUE CARBON

- **Global Market Potential:**

- According to **McKinsey Sustainability**, the global market potential for blue carbon credits could reach **\$50 billion by 2030**.
- This indicates a significant financial opportunity for nations and businesses to invest in the restoration and conservation of blue carbon ecosystems.

- **Co-Benefits of Blue Carbon:**

- **Beyond carbon sequestration, blue carbon ecosystems offer several co-benefits**, including job creation, sustainable tourism, and enhanced fisheries management, which make them appealing to both governments and private investors.
- **India's Eco-Tourism:** In India, **restored mangrove ecosystems are increasingly** being viewed as a valuable asset for eco-tourism.

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- The country's government has provided funding for mangrove restoration under the **Coastal Regulation Zone Policy** reforms introduced in 2023. This has helped attract both national and international investment.
- **The MISHTI Scheme in India:**
  - Launched in **2023**, the **Mangrove Initiative for Shoreline Habitats and Tangible Incomes (MISHTI)** aims to restore **540 sq km of mangroves** across **nine states and four Union Territories** in India by **2028**.
  - By **December 2024**, **250 sq km of mangroves** had already been restored under the MISHTI program.
  - This initiative is expected to continue making significant strides toward restoring India's vital coastal ecosystems.
- **Economic Return on Investment:**
  - According to a report by the **OECD (2024)**, every **\$1 invested** in blue carbon restoration can yield up to **\$6 in economic returns**, demonstrating the high economic value of investing in blue carbon restoration projects.

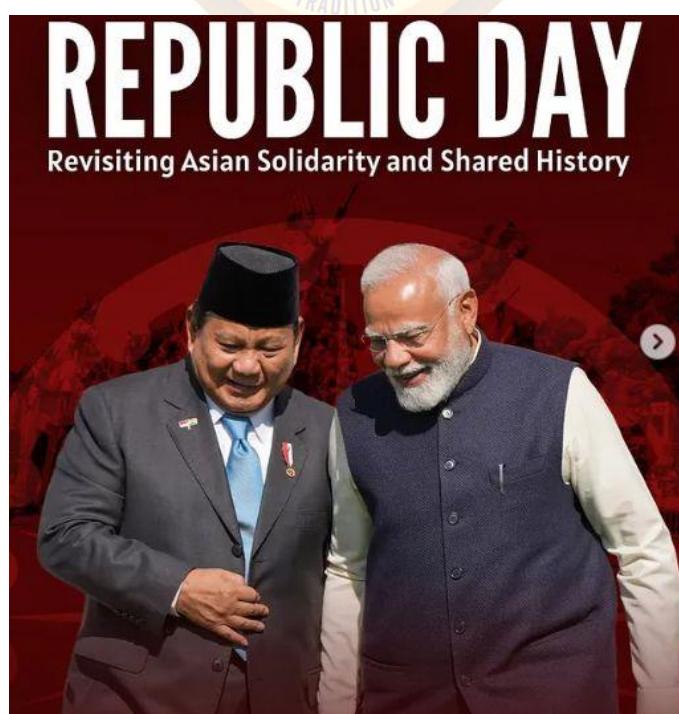
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## INDIA INDONESIA RELATIONS

- Over the past 75 years, the **bond between India and Indonesia** has seen its ups and downs.
- A key **moment** came in 1950, when **Sukarno, Indonesia's first president**, was the chief guest at India's first Republic Day.
- As India celebrated its 76th Republic Day on 26 January 2025, Indonesian President **Prabowo Subianto** was invited as the chief guest, highlighting the continued strengthening of their diplomatic ties.



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- **What makes this year's Republic Day even more special** is the presence of the Indonesian President joined by a **152-member marching contingent and a 190-member band from Indonesia**, marching **alongside the Indian Armed Forces** at the Republic Day Parade at Kartavya Path.
- This **shows the unity between the two nations adds another chapter to the growing relationship** between India and Indonesia, filled with promise for the years ahead.
- On January 25, 2025, India and Indonesia took another **step forward by signing several important agreements in areas like maritime security, health, traditional medicine, culture, and digital cooperation** during a meeting between P.M. Modi and Indonesian President Subianto **at Hyderabad House in New Delhi**.

## EARLY POST COLONIAL LEGACY

- **Shared Struggle Against Colonialism:** India and Indonesia both **fought against colonial rule in the 20th century**. India's support for Indonesia's independence struggle against Dutch colonial control played a crucial role in the formation of strong bilateral ties.

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- **India's Diplomatic Support:** Under Prime Minister **Jawaharlal Nehru**, India was one of the **first countries to support Indonesia's independence from the Dutch**. India provided **humanitarian aid, diplomatic backing**, and even took actions such as **banning Dutch airlines** from flying over India in 1947 as a sign of protest.
- **Sukarno's Visit to India:** In 1950, **President Sukarno** of Indonesia visited India as the guest of honor at India's **Republic Day celebrations**.
- This visit **symbolized the strong bilateral ties between the two nations**, with Nehru and Sukarno maintaining a close friendship rooted in their shared struggle against colonialism.
- **Treaty of Friendship (1951):** India and Indonesia signed the **Treaty of Friendship** in 1951, which aimed to establish "**perpetual peace and unalterable friendship**."
- This treaty reflected their shared commitment to **non-alignment, anti-colonialism, and peaceful coexistence**.
- **Bandung Conference (1955):** India and Indonesia were central figures in the **Bandung Conference**, which marked the birth of the **Non-Aligned Movement (NAM)**.

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- Both Nehru and Sukarno were founding members of NAM, advocating for **political independence** and **economic self-sufficiency** for newly independent countries, and fostering **South-South cooperation** between India and Indonesia.

## RELATIONSHIP DURING 1960s

### Divergence and Cold War Alignment (1960s)

- Differences on China:** Initially, both India and Indonesia saw **China as an ally** in their anti-colonial struggle.
- However, the relationship began to diverge after **India's relationship with China soured** following the **1959 Tibetan Uprising** and the **1962 Sino-Indian War**.
- Indonesia's Continued Friendship with China:** While India distanced itself from China **after the 1962 war**, **Indonesia maintained its friendship with China**, leading to tensions between India and Indonesia during the 1960s.
- Personal and Political Strains:** The tension **was not only due to political differences but also personal strains between Prime Minister Nehru and President Sukarno**. Nehru's refusal to support Sukarno's idea of holding a **2nd Bandung Conference** in the 1960s further escalated tensions.

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- **Indonesia-Pakistan (1965):** During the **1965 India-Pakistan war**, **Indonesia supported Pakistan**, which caused a significant rift. Indonesia's **Foreign Minister announced support for Pakistan**, and Indonesia even **supplied arms to Pakistan**.
  - This support for Pakistan led to **an attack on the Indian Embassy in Jakarta**, marking a low point in bilateral relations.
- **Political Change in Indonesia:** In 1966, an **attempted coup in Indonesia** led to the **weakening of Sukarno's power** and the rise of **General Suharto**. Suharto's **anti-communist stance** and shift toward a **pro-Western foreign policy** helped restore and strengthen Indonesia's relationship with India.

## THE SUHARTO ERA (1970s): RECOVERY & STAGNATION

- **Maritime Boundaries Agreement (1977):** The **1977 maritime boundaries agreement** marked the beginning of a more stable relationship between India and Indonesia. The two countries also cooperated on issues related to **regional security** and **economic development** during this time.
- **Cold War Alignments:** During the Cold War, India aligned itself with the **Soviet Union**, while Indonesia leaned toward the **United States**.

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- This ideological and political divide created some challenges in bilateral cooperation, but the two countries maintained diplomatic and trade relations.
- **Diplomatic Engagement:** Despite ideological differences, both nations maintained regular **diplomatic exchanges**. Notable visits include **Suharto's visit to India in 1980**, and Indian leaders such as **Indira Gandhi** and **Rajiv Gandhi** also visited Indonesia in the early 1980s.

## THE 1990s: LOOK EAST POLICY OF INDIA

- **Economic Liberalization in India:** In the early 1990s, under **Prime Minister P.V. Narasimha Rao**, India began its **economic liberalization** process, which included greater focus on Asia. The '**Look East**' policy was introduced to strengthen **India's economic and political ties with Southeast Asia**, including Indonesia.
- **Regional Economic Growth:** The 1990s saw **Indonesia's rapid economic growth**, presenting India with opportunities for increased trade and investment. Bilateral cooperation expanded in various sectors, especially as both nations pursued economic modernization.

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- **Strategic Cooperation:** As regional security concerns grew, particularly in the **South China Sea**, India and Indonesia strengthened their **strategic cooperation**. They conducted **joint military exercises** (e.g., **Garuda Shakti**) and started **sharing intelligence**, improving their defense ties.
- **Multilateral Cooperation:** India and Indonesia worked closely in multilateral forums like the **East Asia Summit (EAS)** and the **ASEAN Regional Forum (ARF)**, emphasizing regional stability and collaboration on global issues.

## 2000s: COMPREHENSIVE ENGAGEMENT

- **Increased Defense and Security Cooperation:** The 2000s saw both nations **strengthening defense ties** through regular **joint military exercises** and **maritime security cooperation**, particularly due to the strategic importance of the **Indo-Pacific region** for global trade and security.
- **Bilateral Trade Expansion:** By 2022, **Indonesia became India's 2nd-largest trading partner** in ASEAN, with bilateral trade reaching **\$38.84 billion** in 2022-23.
- Indonesia exports **coal, crude palm oil, and oil** to India, while India exports **refined petroleum, vehicles, and steel** products to Indonesia.

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- **Cultural Ties:** There was a significant growth in **cultural ties**, including increased **educational exchanges**. Many Indonesian students studied in India, and there was a rise in **tourism** between the two countries.
- **Leadership Exchanges:** From the 2000s onward, each **Indonesian president** and **Indian prime minister** visited the other country, helping deepen ties in various areas, from trade to cultural collaboration.

## 2010s & 2020s: ACT EAST POLICY

- **'Act East' Policy:** In 2014, Prime Minister Narendra Modi expanded the 'Look East' policy into the 'Act East' policy.
- This shift focused on **practical, outcome-oriented cooperation**, particularly in defense, connectivity, and economic growth, with a strong emphasis on the **Indo-Pacific region**.
- **Ongoing High-Level Engagement:** The January 2025 visit of **President Prabowo Subianto** to India highlighted the continued commitment to strengthening ties.
- The visit resulted in agreements covering **maritime security, digital cooperation, traditional medicine, and defense industrial cooperation**.

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- **Current Economic Ties:** As of **2023-24**, bilateral trade between India and Indonesia was valued at **\$29 billion**.
- India imports **coal** and **palm oil** from Indonesia, while its exports include **refined petroleum products, commercial vehicles, and machinery**.
- **Untapped Potential:** Despite strong ties, experts believe there is still **untapped potential** in sectors like **technology, infrastructure, and green energy**. These areas could provide opportunities for further collaboration in the future.

## KEY AREAS OF COOPERATION & FUTURE POTENTIAL

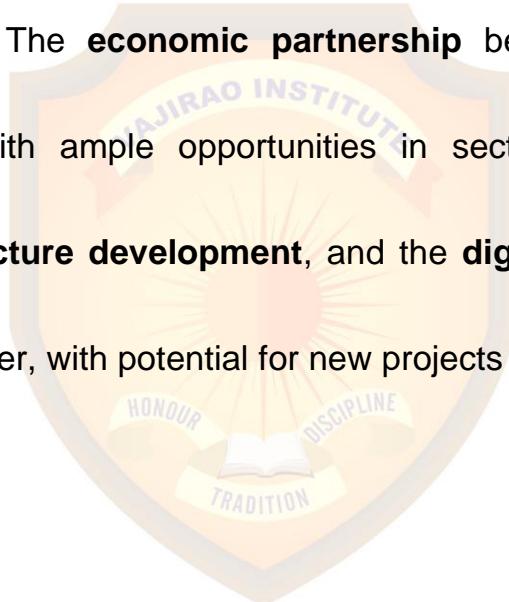
- **Maritime Security:** Both nations are focused on **maritime security** in the **Indo-Pacific**. **India** and **Indonesia** cooperate on securing vital shipping lanes, which are increasingly important in the face of rising geopolitical tensions.
- **Defense and Military Cooperation:** **India** and **Indonesia** are enhancing their **defense cooperation**, including **joint military exercises, defense technology sharing**, and potentially collaborating on **defense production**.
- The agreements signed in **2025** indicate growing **defense industrial cooperation**.

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- **Regional Influence and Multilateral Platforms:** Both countries are committed to ensuring **regional stability** and cooperation through multilateral platforms like the **East Asia Summit (EAS)** and the **ASEAN Regional Forum (ARF)**, strengthening their strategic roles in the **Indo-Pacific**.
- **Economic Potential:** The **economic partnership** between **India** and **Indonesia** continues to grow, with ample opportunities in sectors like **renewable energy**, **technology**, **infrastructure development**, and the **digital economy**. Both countries aim to boost trade further, with potential for new projects and investments.



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## MCQs

1. Consider the following statements and mark the correct one:
  1. Blue Carbon is the carbon stored in marine ecosystems.
  2. Marine Ecosystems can store more carbon than terrestrial ecosystems.

(A) Only 1  
(B) Only 2  
(C) Both 1 & 2  
(D) Neither 1 nor 2

**Ans. (C)**

2. How many of these can be the impacts of mangrove ecosystem restoration?
  1. Enhanced Tourism
  2. Increased fish yields.
  3. Achieving Net Zero target will be easier.

(A) Only 1 of these.  
(B) Only 2 of these.  
(C) All of these.  
(D) None of these

**Ans. (C)**

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3. Ayeyarwady Delta, often seen in news lies in which country?

- (A) China
- (B) Laos
- (C) Thailand
- (D) Myanmar

**Ans. (D)**

4. Where was the inaugural summit of Non Alignment Movement hosted?

- (A) Bandung
- (B) Belgrade
- (C) New Delhi
- (D) Accra



**Ans. (B)**

5. Which of these countries is not a member of East Asia Summit?

- (A) Australia
- (B) Indonesia
- (C) India
- (D) All of the above are members of East Asia Summit.

**Ans. (D)**

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