

India-Africa Relations: Approach and Key Aspects (Structured Answer)

1. India's foreign policy towards Africa is characterized by:

- South-South Cooperation and building relationship built on equality, mutual respect, and mutual benefit, rather than a donor-recipient dynamic.
- Demand-Driven and Responsive
- Development Assistance
- Economic Cooperation
- Capacity Building and Human Resource Development focus on skill development, education, and technical assistance.
- Long-Term Commitment and Shared Future, sustained engagement and addressing shared global challenges.
- Non-Interference and Respect for Sovereignty: India adheres strictly to the principle of non-interference in the internal affairs of African nations, respecting their sovereignty and political choices.

2. Key Aspects of India-Africa Relations

A. Economic Cooperation: Diversify Trade and Investments; Market Access ; Infrastructure Development through Lines of Credit (LoCs) and grants. The proposed Asia-Africa Growth Corridor (AAGC), a joint initiative with Japan, aims to create quality infrastructure and digital connectivity across the Indo-Pacific, emphasizing sustainability and people-centric development.

Digital Transformation - -VidyaBharti and e-ArogyaBharti (e-VBAB) Network Project provide online education and telemedicine services, enhancing access to quality learning and healthcare across the continent

B. Political and Diplomatic Engagement : India strongly advocates for Africa's greater representation in global governance. A significant achievement was India's successful push for the African Union's full membership in the G20 during India's G20 Presidency in 2023. India also supports calls for the reform of the UN Security Council to include African permanent seats.

Institutionalized Dialogues: The India-Africa Forum Summits (IAFS) serve as a crucial platform for high-level political dialogue, setting the agenda for cooperation across various sectors.

C. Security and Strategic Cooperation

Maritime Security: Given the shared Indian Ocean coastline, maritime security is a key focus. India's "Security and Growth for All in the Region" (SAGAR) policy underscores its commitment to being a net security provider in the Indian Ocean Region. This includes joint exercises (like Exercise Cutlass Express), anti-piracy operations, coastal surveillance, and capacity building for African navies and coast guards.

- **Counter-Terrorism:** Both India and African nations are increasingly cooperating on counter-terrorism efforts, sharing intelligence and best practices.
- **Peacekeeping:** India has historically been a significant contributor to UN peacekeeping missions in Africa, demonstrating its commitment to peace and stability on the continent

D. Social and Cultural Ties

- The presence of a large Indian diaspora across Africa acts as a natural bridge, fostering cultural exchange and economic linkages.
- Educational and cultural linkages ; Scholarship through ICCR.
- Health Collaboration

India Africa Relations

- India's foreign policy towards Africa is guided by a multidimensional approach that combines historical solidarity with contemporary economic and strategic interests. It's a partnership-based model that emphasizes South-South cooperation, mutual respect, and capacity building.
- India and Africa have a deep, centuries-old relationship that has evolved from ancient trade ties into a modern, multifaceted partnership based on economic cooperation, development, and shared geopolitical interests.
- India Shares a deep bond with friendship with Africa, having cultural and commercial relationship going back to over 3000 years.
- During the dark ages of Colonialism, they had anticolonial ties.
- In the modern era, the connections were solidified through the shared experience of colonialism and the fight for independence.
- Mahatma Gandhi became the guiding force for both India and Africa. His 21 years of life inspired Africa to Freedom and Justice.
- Mahatma Gandhi's political awakening in South Africa became a symbol of this solidarity.
- After gaining independence, India and many African nations became founding members of the Non-Aligned Movement (NAM), a group of states that did not formally align with either the United States or the Soviet Union during the Cold War. This historical alignment has created a strong foundation of goodwill and mutual trust. India has consistently championed Africa's interests in global forums and was a vocal opponent of apartheid in South Africa.

The Kampala Principles are a set of 10 guiding principles for India's engagement with Africa. They were articulated by Prime Minister Narendra Modi in a speech to the Parliament of Uganda in July 2018. These principles serve as the framework for India's foreign policy towards the African continent, emphasizing a partnership based on equality, mutual respect, and shared development goals



Why Africa Continent Imp for India

Geostrategic Location :

- Africa is of significant importance to India's geostrategic interests due to a combination of economic, political, and security factors. The continent's location, particularly its eastern coast along the Indian Ocean, makes it a crucial partner for India's foreign policy and economic ambitions.

Key Reasons :

1. Maritime Security and the Indian Ocean Region (IOR): Securing Sea Lanes: India is highly dependent on the Indian Ocean for trade and energy imports. The sea lanes of communication off the Horn of Africa, particularly the Bab-el-Mandeb Strait and the Gulf of Aden, are vital for India's trade with Europe, the Middle East, and Africa itself

Cooperation with African countries, especially the littoral states, is essential for combating piracy, terrorism, and other threats to maritime security

Africa is critical to India's security, especially the Horn of Africa region, because of its proximity with India. The threat of radicalism, piracy, organized crime emerge from this region



Horn of Africa: or Somali peninsula

- is a peninsula in East Africa that juts out into the Arabian Sea.
- strategic location makes it a vital point for global trade and maritime security. (Geopolitical Significance)
- It is a region of significant geopolitical and strategic importance due to its location along key shipping routes in the Red Sea, Gulf of Aden, and Indian Ocean
- The Horn region serves as a gateway to Africa for Indian investments in infrastructure, energy, and mining sectors
- four Countries : Djibouti Eritrea Ethiopia Somalia
- The region is home to a diverse population with various ethnic groups and languages, including Oromo, Amhara, Somali, and Tigray.
- Islam and Christianity have deep historical roots in the area.
- climate : Characterized by a mix of arid, semi-arid, and temperate climates, influencing agriculture and livelihoods in the region.
- Issues: Drought and Erratic Rainfall; Overgrazing and unsustainable farming practices have led to severe land degradation; long-standing political instability and armed conflict and rapidly growing population puts immense pressure on already strained natural resources.
- The region has faced numerous challenges, including political instability, conflicts, poverty, food insecurity (often worsened by droughts and climate change), and environmental degradation.

Countering Rival Influence: As other major powers, like China, increase their presence in the Indian Ocean and establish military bases in Africa (e.g., Djibouti), India is strategically engaging with African nations to maintain a balance of power and protect its interests. India's "SAGAR" (Security and Growth for All in the Region) framework and naval cooperation with countries like Mozambique and Tanzania are part of this strategy.

Geo -Economic Importance

Economic and Market Opportunities: Growing Market: Africa's rapidly growing population and increasing urbanization present a vast and expanding market for Indian goods and services.

Investment and Development: Indian companies are investing heavily in various sectors in Africa, including pharmaceuticals, infrastructure, and telecommunications. This economic cooperation is mutually beneficial, as it helps fuel India's economic growth while contributing to Africa's development priorities. The Indian diaspora in Africa also plays a vital role in building these economic and cultural bridges

Energy and Resource Security: India Diversifying Energy Sources in Africa like Nigeria , Angola provides a crucial avenue for India to diversify its energy imports and reduce its dependence on the Middle East.

Access to Critical Minerals: Africa possesses vast reserves of critical minerals like cobalt, manganese, and copper, which are essential for India's clean energy transition and technological advancements. Collaborating with African countries on mining and resource development is key to India's manufacturing and economic growth

- Huge Minerals deposits :diamonds, gold, platinum,, The continent is enriched in mines and minerals
- Africa can help us in diversifying our energy sources for India's Energy security.
- Africa provides a space for Indian investment
- Opportunity to Invest in Africa: Consumer-driven goods related to agribusiness, apparel and clothing, pharmaceuticals, and automotive components are opportunities for India's foreign direct investment (FDI).
- Africa has ample agricultural land which can address India's food security. India is looking at leasing land in Africa to overcome the land deficit that we face in terms of arable land
- Medical Tourism: The number of African tourists visiting the country for medical treatment
- India as Educational Hub: More than 25,000 African students are currently enrolled in various universities all around India, as per the Association for African Students in India.
 - Education and Cultural Exchanges: Indian universities offer scholarships to African students, and cultural festivals and exchange programs foster a deeper understanding of each other's culture

Geopolitical Importance

- Support for Global Ambitions: The 54 African nations represent a significant voting bloc in international organizations
- Their support is crucial for India's aspirations to become a permanent member of the UN Security Council and to advance its agenda on issues like climate change and global governance reforms
- Advocating for the Global South: India sees itself as a leader and a voice for the developing world. A strong partnership with the African Union and individual African nations strengthens India's position in global forums like the G20, the United Nations, and the WTO.
- the Indian diaspora in Africa, which is over 3 million strong, has been a crucial strategic asset to bridge the gap between the two geographies.
- Support of African countries is important for India's aim of gaining a permanent seat in UNSC
- Africa provides a space for displaying both India's soft and hard power
- India has been actively involved in peace and stability of African countries through UN Peace keeping operations.
- India is involved in capacity building of African countries. Africa is also the largest beneficiary of India's ITEC programme

AREAS OF COOPERATION :

- Strengthen Political and Diplomatic Cooperation like India and Africa forum summit (sponsored by the Ministry of External Affairs)
- Seek consensus among [G-20](#) members on the AU's (African Union) full membership
- Establish a dedicated secretary in the Ministry of External Affairs (MEA) for African affairs
- India has the added advantage of language and cultural affinity and proximity. While Mandarin is slowly becoming popular among younger generations, English is still far more prevalent across Africa and in India as well. This makes it much easier for Indian contractors and labor to converse with local partners
- Maritime Cooperation – development of blue economy and renewable energy for the continent's growth can be realized by Indian experience and the expertise to develop and manage the maritime resources.
- Security – Being the littoral states in the Indian Ocean, they can work towards establishing mechanisms to deal with threats to regional security including terrorism and piracy
- Enhance Defence and Security Cooperation Strengthen Maritime collaboration and extend [Lines of Credit](#) to facilitate defence exports. Expand cooperation in counterterrorism, cyber security, and emerging technologies.
- India considers African countries, especially those with coasts on the Indian Ocean, to be a critical part of its Indo-Pacific strategy.
- Africa-India Field Training Exercise (AF-INDEX) aims to promote the idea of Africa-India Militaries for Regional Unity (AMRUT) which aligns with the objectives of Africa's [Agenda 2063](#) and continental initiatives like the African Union's [Silence the Guns](#) by 2030 initiative which aims at conflict prevention, management, and resolution.

- Silencing the Guns ' – a flagship project of the AU's Agenda 2063. "Silencing the Guns" is not just about stopping armed conflicts. It takes a comprehensive approach that addresses the root causes of violence in Africa like Political and Governance Issues; Socio-economic Challenges: Combating poverty, inequality, and unemployment, which often fuel instability.; Illicit Arms Proliferation: Curbing the illegal flow of small arms and light weapons (SALW) across the continent; Structural Factors: Addressing historical legacies of conflict, such as colonial-era borders and economic exploitation.

Exercise Cutlass Express is a large-scale multinational maritime security exercise sponsored by U.S. Africa Command (AFRICOM). It focuses on enhancing maritime security and cooperation in the East African coast and Western Indian Ocean

- The Indian Navy also participated in [Exercise Cutlass Express](#), held in the East coast of Africa and the Gulf region, respectively.
- The exercise is a vital component of a broader strategy to ensure the safety and security of critical maritime corridors.
- India's import fertiliser from countries like Morocco, Tunisia, and Senegal.
 - To counterbalance China's reach in Africa and its Belt and Road Initiative, India and Japan inked the Asia-Africa Growth Corridor and based on 4 pillar

The Asia-Africa Growth Corridor (AAGC) is a joint economic cooperation agreement between the governments of India and Japan. The initiative was proposed in 2017 to foster development and connectivity between the two continents, particularly through infrastructure development and institutional linkages. It is widely viewed as a response to China's "Belt and Road Initiative" (BRI).

The AAGC is structured around four main pillars

- Improving skills and capacity.
- Developing institutional and infrastructure connectivity.
- People-to-People partnership.
- Growth of cooperation projects.

Key Differences

Feature	Asia-Africa Growth Corridor (AAGC)	Belt and Road Initiative (BRI)
Partnership Model	Collaborative and inclusive: A joint initiative between India and Japan that is open to other countries and private sector participation. It's based on mutual trust and equal partnership.	China-centric: A unilateral project led by China, with other countries participating as partners in specific projects.
Funding	The funding mechanism is primarily driven by public-private partnerships, drawing on private investment and official development assistance from India and Japan.	Primarily funded by Chinese state-owned banks and financial institutions, often leading to concerns about debt-trap diplomacy .
Focus	Emphasizes a people-centric approach with a focus on skill development, health, and agriculture, in addition to infrastructure.	Heavily focused on large-scale physical infrastructure projects like ports, railways, and highways.
Approach	The AAGC is a sea-corridor initiative, focusing on maritime connectivity across the Indian and Pacific Oceans. It seeks to revive ancient sea routes and create new ones.	The BRI has both a land-based component (Silk Road Economic Belt) and a maritime component (21st Century Maritime Silk Road).
Transparency	The AAGC promotes an open, transparent, and rules-based framework for projects, adhering to international norms for environmental and social sustainability.	The BRI has faced criticism for a lack of transparency in its contracts and loan agreements, which can lead to governance issues.

- Increase Socio-Cultural Cooperation: Facilitate greater interaction between Indian and African universities, think tanks, civil society, and media organizations. Establish a National Centre for African Studies. Rename Indian Technical and Economic Cooperation (ITEC) and Indian Council for Cultural Relations (ICCR) scholarships after famous African figures.

Development Assistance:

- The ITEC program offers training and capacity building programs to African professionals. India has also extended lines of credit and grants for infrastructure projects, agricultural development, and capacity building

Technology and Digital Cooperation:

- Under the Pan African e-Network Project (initiated in 2009), India has set up a fibre-optic network to provide satellite connectivity, tele-medicine and tele-education to countries of Africa.

The e-VidyaBharti and e-ArogyaBharti (e-VBAB) Network Project is a flagship initiative of the Government of India to strengthen its partnership with African countries. This project uses a modern, web-based platform to provide high-quality tele-education and tele-medicine services from India to Africa.

The initiative is a continuation of the successful Pan-African e-Network Project, which was conceived by former Indian President Dr. A.P.J. Abdul Kalam. The e-VBAB project was officially launched in October 2019 and is fully funded by the Government of India.

- Education and Cultural Exchanges: Indian universities offer scholarships to African students, and cultural festivals and exchange programs foster a deeper understanding of each other's cultures.

- Health Collaboration:

Indian pharmaceutical companies have provided affordable generic medicines to African countries, contributing to improved healthcare access. India has also deployed medical teams and offered technical assistance to combat diseases like HIV/AIDS, malaria, and Ebola.

ISSUES AND CHALLENGES

- Ethnic and religious conflicts and governance issues in some countries make foreign contributors averse to venture in the region.
- Geographical Distance: The geographical distance between India and Africa poses logistical challenges in terms of connectivity, trade, and people-to-people exchanges.
- Competing Priorities: African countries often have multiple partners and engagements, including with major powers like China, the European Union, and the United States.
- Infrastructure Deficits: Many African countries face infrastructure deficits, including inadequate transportation networks, power shortages, and digital connectivity gaps.
- Security Concerns: Security challenges, including terrorism, piracy, and conflicts in some African regions, can impact stability and hinder economic development.
- Cultural and Linguistic Diversity: Africa is a diverse continent with multiple languages, cultures, and traditions. Understanding and navigating this diversity requires effective communication, cultural sensitivity, and tailored approaches to engage with different African countries and communities.

INDIA FOCUS ON :

- increasing developing capacity of India in Africa Regions in terms of capacity building and thrust based infrastructure development .
- Addressing Trade Barriers and increasing and expanding reliable Market access .
- Removing Development disparities : African countries exhibit significant development disparities, with some countries experiencing high levels of poverty, underdevelopment, and socio-economic challenge.
- Increase economic and technological cooperation and ventures

Partners in Peace

India is a major partner in the UN Peacekeeping missions in the African continent. The major peacekeeping missions in Africa in which India is involved are:

1. Democratic Republic of Congo
2. South Sudan
3. Ivory Coast
4. Liberia

Till date, India has deployed about 4,500 soldiers on the ground. This includes the only fully formed Indian female police unit in Liberia.

- As mentioned above of the 'Agenda 2063' of Africa to deal with the above stated challenges, India's partnership in the form of 'Delhi Declaration' is a positive step in this direction for both the landmasses.
 - The Delhi Declaration is in sync with the 'Africa's Vision 2063' which also focusses on growth, stability and prosperity.
 - Arc of Prosperity
 - India-Africa Business Forum was also held as an important segment of the summit. It is noteworthy that the India-Africa trade has exceeded \$70 billion!
 - Along with economic development through public private partnerships, institution building, infrastructure development and development of small and medium enterprises, the focus will also be on poverty alleviation, healthcare, education and sustainable development.
 - Blue Economy
 - An agenda was brought out in the summit or the development of blue economy or ocean economy which is aimed at development of marine resources sustainably for the growth and development of countries like India, on the African coast and other littoral states with coastlines.

Way Forward

- New Delhi will need to start delivering on the ground if the India-Africa partnership has to move beyond high level visits.
- Indian investments in Africa need to expand and diversify towards 'broad' range and not remain restricted to traditional sectors of investments.
- In order to keep the momentum of building political and economic ties with this increasingly important region, steps should be taken towards tailoring and funding joint projects for the sustainable development of the Africa.

CHINA ENGAGEMENT IN AFRICA CONTINENT

- Natural Resource Acquisition: China's appetite for Africa's natural resources, such as oil, minerals, and timber, has led to concerns about resource exploitation and environmental degradation.
- Impact on African Manufacturing: China's exports of low-cost manufactured goods to Africa have had an impact on local African industries, including those in which India has economic interests.
- Geopolitical Influence: Chinese military presence, access to naval bases, and involvement in peacekeeping operations in Africa have implications for regional security dynamics and India's strategic partnerships with African countries
- Economic Competition: China's economic presence in Africa has intensified competition for markets and resources. Chinese companies, backed by state support, often secure infrastructure projects and investments, potentially overshadowing Indian businesses in the region.
- Debt Sustainability: China's financing of infrastructure projects in Africa, often through loans, has raised concerns about debt sustainability for African countries.
- Human Rights and Governance Concerns: Chinese investments and aid are often not conditional on improvements in governance, human rights, or environmental standards, which can be a cause of concern for India, which emphasizes shared values in its engagements with Africa.

India Soft Power Instruments

- ITEC
- IDEAS
- LoC
- Currency Swap Agreements

Indian Technical and Economic Cooperation Programme (ITEC)

- ITEC was officially launched on 15 September 1964
- ITEC is administered by the [Ministry of External Affairs](#)
- Since then 15 September is celebrated as 'ITEC Day' every year.
- it is International capacity building Platform in India
- bilateral assistance programme run by the [Government of India](#)
- Objective : ITEC program is to share India's expertise and technical know-how with partner countries, promoting mutual cooperation and fostering goodwill. It is a demand-driven, response-oriented programme that focuses on addressing the needs of developing countries through innovative technological cooperation between [India](#) and the partnering nation
- ITEC covers 160+ countries across [Asia](#), [Africa](#), [Latin America](#), [Central](#) and [Eastern Europe](#), and several [Pacific](#) and [Caribbean nations](#) help in defence and civil Sector

- So This Programme augmented India's soft power among developing nations.
- ITEC has also been an important component of India's assistance to African nations
- [Lines of credit](#) are also offered under ITEC and African nations have been the major beneficiaries under this head
- Scope: The ITEC program covers a wide range of areas, including information technology, rural development, renewable energy, agriculture, entrepreneurship, public administration, banking, healthcare, and English language training

SCOPE : Six Areas

- training for civil and defence personnel,
- projects and project related activities such as consultancy services,
- study tours,
- donation of equipment,
- deputation of Indian experts in the partner nation and
- aid for disaster relief.

EXIM Bank or Export-Import Bank of India

- is India's leading export financing institute that engages in integrating foreign trade and investment with the country's economic growth.
- was established in 1982 HQ Mumbai
- It is regulated by RBI. and owned by GOI

With an eye on making Indian funding attractive amid massive Chinese funded projects in the developing world, And to overcome the delay issues in Bilateral projects .

The Indian Government has approved the new Indian Development Assistance Scheme (IDEAS) to streamline Lines Of Credit (LOC) offered to various countries in South Asia, SE Asia, Africa and Central America emphasizing on timely completion of projects.



IDEAS:

- It promotes India's political, economic and strategic interests besides building a positive image of India abroad.
- Under Ministry of Finance

Concept of Line of Credit

- is a financing mechanism through which Indian EXIM (Export- Import) Bank extends support for exports of projects as recommended by Ministry of External Affairs (MEA).
- is not a grant but a 'soft loan' provided on concessional interest rates to developing countries, which has to be repaid by the borrowing government.
- The LOCs also helps to promote exports of Indian goods and services, as 75% of the value of the contract must be sourced from India.
- The projects under LOCs are spread over different sectors (Agriculture, Infrastructure, Telecom, Railway, Transmission/Power, Renewable Energy etc.)
- So LOC concept have strengthen bilateral cooperation with other countries
- EXIM bank extends Loc, under the IDEAS Scheme to Overseas governments in developing countries
- Indian Development and Economic Assistance Scheme

Concept of Currency Swap and its benefits in Bilateral relations

- Swap means Exchange Currency
- An arrangement between two friendly countries to involve in trading in their own local currencies.
- In such arrangements *no third country currency is involved, thereby eliminating the need to worry about exchange rate variations.*
- swaps are a method of obtaining foreign currency loans at a lower interest rate than might be obtained by borrowing straight from a foreign market.
- is an off-balance sheet transaction in which two parties trade capital and interest in different currencies.
- The main advantage of such a facility is the absence of exchange rate risk.

- the facility is to provide swap support as an alternative source of funding for short-term [foreign exchange](#) liquidity requirements. to ensure adequate foreign currency to avoid the [Balance of Payments \(BOP\)](#) crisis till longer arrangements can be made.
- Additional goals of government swaps agreements include promoting bilateral commerce, safeguarding the value of foreign exchange reserves held by the central bank, and ensuring financial stability (protecting the health of the banking system).

Need to Focus on

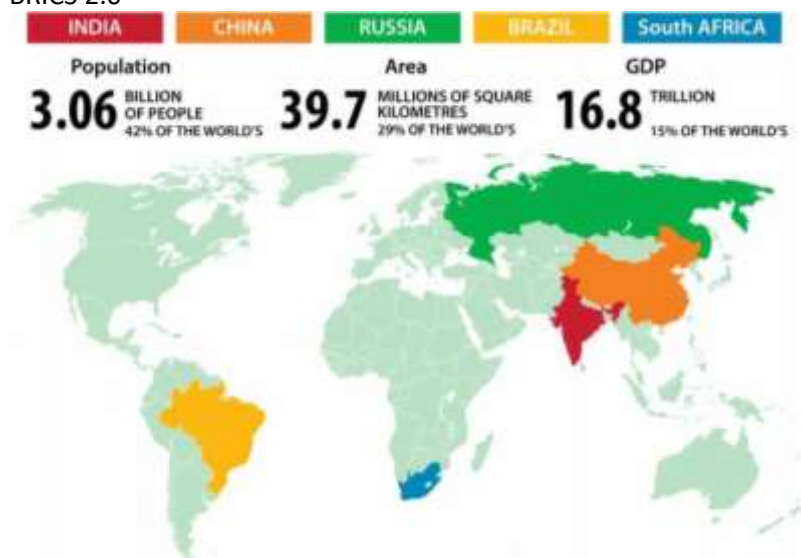
- Focus on Regional Economic Integration
- Encourage Investment and diversified supply and value chains
- Increased Farm Mechanization and educate small and marginal farmers with better access to inputs and credit lines.
- Empowerment of Micro, Small and Medium enterprises through better access to finance and improvement in access to Electricity.
- Digital and Physical connectivity are the arteries of a Healthy Economy

Practice Mains Question :

- Increasing interest of India in Africa has its pros and cons. Critically examine.
 - India and Africa have shared a common past and still continue to share a common agenda. Throw light on the statement taking into consideration the recent developments. (250 words)
 - How does India see its place in the economic space of rising natural resource rich Africa?
 - India is Extractive Economy and pursuing narrow economic activities in Africa ?
 - Engaging with Africa is a key priority for the Indian government. Discuss
- African Union (AU)

- is a [continental union](#) consisting of [55 member states](#)
- was announced in the Sirte Declaration in Sirte, Libya, on 9 September 1999 calling for the establishment of the African Union.
- Africa Need : AU Needs Comprehensive Security in the continent, implying its pursuit of three security objectives: resolution of armed conflicts, political stability and economic security
- Founded 2002
- HQ [Addis Ababa](#).
- Currently Suspended Countries : [Burkina Faso](#), [Guinea](#), [Mali](#), Sudan, Niger
- Gabon was also suspended in August 2023 after a military coup, but its suspension was lifted in May 2025 after a transitional election was held

BRICS 2.0



BRICS Grouping :

- is an intergovernmental organization and framework of emerging economies
- primary purpose of BRICS is to promote political, economic, and security cooperation among its members. It aims to reform global governance and financial institutions
- supporting multi polar world and Global challenges
- BRICS initiatives like the New Development Bank (NDB) provide India with access to financial resources for infrastructure development and sustainable projects

BRICS :

- association of five major and emerging economies
- Brazil, Russia, India, China, and South Africa.
- Formed in 2006, HQ shanghai and
- term was coined in 2001 by Jim O'Neill, an economist at Goldman Sachs
- 1 st BRICS Annual Summit starts from 2009
- South Africa joined in 2010, and the group became known as BRICS

Expansion: In a significant move, the group underwent a major expansion in 2024. As of January 1, 2024, four new countries officially joined:

- Egypt
- Ethiopia
- Iran
- United Arab Emirates

New Members in 2025: Following the expansion in 2024, Indonesia was also admitted as a full member in early 2025, bringing the total number of member states to ten

BRICS Summit :

- 2023 : Johannesburg , South Africa
- 2024 : Kazan , Russia
- 2025 Riode Janerio, Brazil
- 18 th Summit 2026 India






BRICS Financial Architecture includes two :

- NDB Bank formed in 2014
- The bank is headquartered in Shanghai, China.
- providing a financial alternative to Western-dominated institutions like the World Bank and the IMF.
- Capital: The bank has an authorized capital of \$100 billion. Its founding members have an equal share in the initial subscribed capital, which gives them equal voting rights, a key feature that distinguishes it from other multilateral banks where voting power is tied to capital contribution.
- Expansion: While originally established by the five BRICS nations, the NDB has expanded its membership to include other countries. As of August 2025, its members include Bangladesh, the United Arab Emirates, Egypt, Algeria, Colombia, and Uzbekistan, in addition to the original five BRICS countries. This expansion is designed to broaden the bank's influence and resource base.
- India's shareholding in the New Development Bank (NDB) is less than 20% but was initially 20% when the bank was founded.
- Impact of New Members has increased the bank's overall subscribed capital, thereby diluting the percentage shareholding of the original five members. While their absolute capital contribution remains the same, their percentage share of the total has decreased.
- The NDB's charter includes a provision to ensure that the combined voting power of the five founding BRICS members does not fall below 55%. This guarantees that the original members maintain majority control over the bank's governance and strategic direction.

Note : Contingent Reserves Arrangement (CRA):

- CRA was set-up by BRICS nations to counter IMF.
- It was established in 2015 by the [BRICS](#) countries: Brazil, Russia, India, China and South Africa.
- The objective of this reserve is to provide protection against global liquidity pressures.
- The BRICS CRA proposes to provide short-term liquidity support to the members through currency swaps to help mitigating BOP crisis situation, in case such a financial situation arises.
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- It has the goal of promoting mutual support amongst the BRICS members in situations of instability in the balance of payments.
- The CRA is generally seen as a competitor to the [International Monetary Fund](#) (IMF) and along with the [New Development Bank](#) is viewed as an example of increasing [South-South](#) cooperation

The capital of \$100 billion is distributed as follows

Country	Capital contribution ^[5] (billion USD)	Access to Funds (billion USD)	Voting Rights (%) ^[6]
 Brazil	18	18	18.10
 China	41	21	39.95
 India	18	18	18.10
 Russia	18	18	18.10
 South Africa	5	10	5.75
Grand Total	100	85	100.00

Significance of BRICS Contingent Reserve Arrangement (CRA)

- So far IMF support is the primary safety net that is available to India in case any BOP crisis situation arises.
- Pending the IMF governance reforms, India does not have much say in the IMF decisions. The proposed CRA will provide an alternative approach.
- This will also provide yet another window for our economy to engage with the BRICS in a more fruitful manner.
- CRA will ensure equity and inclusiveness by providing a backup safety net arrangement
- CRA is expected to serve the needs of our emerging economy in boosting access to additional foreign exchange reserves, should such situation arise
 - BRICS Expansion Help in

1. India Push for UN Reform

2 Expansion of UNSC

3. More Representation of the Global South

4 More Politically relevant bloc

BRICS Importance

- Important Geopolitical bloc with their governments meeting annually at formal summits and coordinating multilateral policies
- mainly on the basis of non-interference, equality, and mutual benefit.
- provides an opportunity for India to actively engage with China and resolve mutual disputes.

Geo Politics : BRICS provides India with an opportunity to balance its strategic interests between the US and the Russia-China axis.

Global Economic Order: BRICS plays an important role in the G20, in shaping global economic policies and promoting financial stability.

Global South : Voice of Developing Nations and is playing a significant role in protecting the rights of developing countries.

Global Grouping :BRICS provides an opportunity for India to actively engage with China and resolve mutual disputes. It also helps in garnering support from other partner countries

Terrorism : BRICS provides a platform for India to galvanize its efforts against terrorism and has worked within the grouping to take a strong stand against terrorism.

BRICS FACING CHALLENGES : LIKE

- Changing Geopolitical Environment: since 2017 when the U.S.-China trade war began China has taken anti-West stances but on the other hand India has amicable relations with the West as compared to China and Russia and does not stand to benefit by taking a stance against the West.

eX :

- I. India Civil Nuclear Cooperation Agreement with France and mainly with USA.
- II. India got NSG waiver in 2008
- III. India Increase Technical and Diaspora Engagement with America : INS Jalashwa; Apache, Submarine Hunter or RH 60 Romeo Helicopters, Hercules and Globemaster transport planes etc
- IV. India got participation in three Agreements of MECR
- V. India increase Positive trade Balance with USA (India exports more and imports less from USA)
- VI. India will have a seminal but challenging role, given its growing cooperation with the West on the one hand and its active articulation and pursuit of the interests of the Global South on the other

Economic Divergence : Brazil and Russia have been experiencing economic recessions in recent years, while China and India have sustained high growth rates. South Africa's economy has been performing poorly, with high levels of unemployment and inequality.

Political Differences : Russia's annexation of Crimea and involvement in conflicts in Ukraine and Syria have strained its relations with other BRICS members. China's territorial claims in the South China Sea have been a source of tension with other BRICS countries that have competing claims in the region.

Political Differences: The BRICS countries have different political systems, ideologies, and foreign policy priorities. These differences can sometimes hinder consensus-building and limit the group's ability to take unified positions on global issues. their own collective economic growth efforts

Lack of Coordination: Beyond the creation of the NDB, the BRICS have had very little policy coordination to foster Institutional and coordination Constraints The New Development Bank (NDB), established by BRICS in 2014 to provide development financing, has faced challenges in disbursing loans and identifying viable projects. The Contingent Reserve Arrangement (CRA), a pool of foreign exchange reserves, has not been tested yet.

- Chinese Approach of Unilateralism: China's effort to dominate group and also admit members who support China's agenda is cause of concern for other member nations.

Trade: In the grouping, India and China remain the two countries with relatively high growth rates, but trade between the two is marred by several challenges ranging from lack of equal market access in China to non-tariff barriers against Indian products.

Expanding Membership : Increased membership may pose a challenge in consensus building.

Way Forward :

- Reform of Multilateral Institutions : BRICS countries could jointly advocate for the reform of the UN Security Council, calling for the inclusion of more developing countries as permanent members. or Reforms in WB and IMF, WTO,
- Resolve to Combat Terrorism: BRICS countries could share best practices and intelligence to combat terrorism, as well as work together to cut off funding and resources for terrorist groups.
- Promoting Technological and Digital Solutions for the SDGs : BRICS countries could share their experiences in adopting and implementing digital solutions in these sectors
- Expanding People-to-People Cooperation : BRICS countries could organize joint cultural events and exhibitions, establish more student exchange programs and scholarships, and encourage more tourism and business visits to each other's countries.

Conclusion:

BRICS faces several challenges such as internal differences, global economic slowdown, and geopolitical tensions. However, the group can remain relevant by expanding its agenda to promote comprehensive development and enhanced cooperation among all states. BRICS should also focus on the democratization of international issues, respect for cultural diversity, and peaceful resolution of conflicts.

G20

- Premier Forum For International Economic Cooperation, Bringing Together The World's Major Advanced And Emerging Economies.
- Focus On Consensus Based Multilateralism
- Not The Platform To Resolve Geopolitical And Security Issues,
- The G20 Is Composed Of 19 Countries And Two Regional Bodies: The European Union And The African Union.

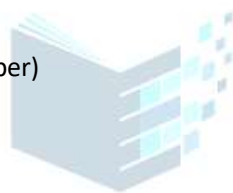
- Collectively, G20 Members Represent About 85% Of Global Gdp, Over 75% Of Global Trade, And Roughly Two-Thirds Of The World's Population.
- Address Major Issues Related To The [Global Economy](#), Such As International [Financial Stability](#), [Climate Change Mitigation](#) And [Sustainable Development](#)
- Composed Of Most Of The World's [Largest Economies](#)' Finance Ministries, Including Both Industrialised And [Developing Nations](#)
- Formed In 1999
- The G20 Does Not Have A Permanent Secretariat. Its Work Is Steered By A Rotating Presidency, Which Changes Annually. The Presidency Is Responsible For Organizing The Summit And Setting The Agenda For The Year. To Ensure Continuity, The Presidency Is Supported By The Troika, Which Consists Of The Previous, Current, And Incoming Host Countries.

The work of the G20 is divided into two main tracks:

- **Sherpa Track:** This track focuses on broader socio-economic issues. The Sherpas, who are personal representatives of the G20 leaders, coordinate the discussions on topics such as health, climate change, sustainable development, and anti-corruption.
- **Finance Track:** This track is led by the Finance Ministers and Central Bank Governors of the member countries. It deals with macroeconomic issues, financial regulation, and international taxation.

The G20 summit, which brings together the leaders of the world's major economies, has been held annually since 2008. list of past and upcoming summits:

- 2008: Washington, D.C., United States
- 2009: London, United Kingdom (April)
- 2009: Pittsburgh, United States (September)
- 2010: Toronto, Canada (June)
- 2010: Seoul, South Korea (November)
- 2011: Cannes, France
- 2012: Los Cabos, Mexico
- 2013: Saint Petersburg, Russia
- 2014: Brisbane, Australia
- 2015: Antalya, Turkey
- 2016: Hangzhou, China
- 2017: Hamburg, Germany
- 2018: Buenos Aires, Argentina
- 2019: Osaka, Japan
- 2020: Riyadh, Saudi Arabia (held virtually due to COVID-19)
- 2021: Rome, Italy
- 2022: Bali, Indonesia
- 2023: New Delhi, India
- 2024: Rio de Janeiro, Brazil
- 2025: Johannesburg, South Africa
- 2026: United States



New Vision IAS Academy
wings to aspirations

Group 1	Group 2	Group 3 (Latin America)	Group 4 (Western Europe)	Group 5 (East Asia)
Australia (2014)	India (2023)	Argentina (2018)	France (2011)	China (2016)
Canada (2010-1)	Russia (2013)	Brazil (2024)	Germany (2017)	Indonesia (2022)
Saudi Arabia (2020)	South Africa (2025)	Mexico (2012)	Italy (2021)	Japan (2019)
United States (2008, 2009-2)	Turkey (2015)		United Kingdom (2009-1)	South Korea (2010-2)

Commitments :

- Accelerate the full and effective implementation of the 2030 Agenda for Sustainable Development
- Accelerate strong, sustainable, balanced and inclusive growth
- Promote resilient growth by urgently and effectively addressing debt vulnerabilities in developing countries
- Pursue low-GHG/low-carbon emissions, climate-resilient and environmentally sustainable development pathways by championing an integrated and inclusive approach.
- Improve access to digital services and digital public infrastructure, and leverage digital transformation opportunities to boost sustainable and inclusive growth
- Promote sustainable, quality, healthy, safe and gainful employment.
- Close gender gaps and promote the full, equal, effective and meaningful participation of women in the economy as decision-makers.
- Better integrate the perspectives of developing countries, including LDCs, LLDCs, and SIDS, into future G20 agenda and strengthen the voice of developing countries in global decision making.
- Will increase our efforts for the elimination of child labour and forced labour along global value chains
- Ensure adequate social protection and decent working conditions for gig and platform workers
- Acknowledge the economic significance and societal value of the cultural and creative sector to support inclusive growth, sustainable development and decent work.
- role of digital public infrastructure in helping to advance financial inclusion in support of inclusive growth and sustainable development
- support continuous efforts to strengthen digital financial literacy and consumer protection.
- Highlight the crucial role of tourism and culture as a means for sustainable socioeconomic development and economic prosperity, and take note of the Goa Roadmap for Tourism as one of the vehicles for achieving the SDGs.

Challenges :

- Global greenhouse gas (GHG) emissions continue to increase, with climate change,
- biodiversity loss, pollution, drought, land degradation and desertification threatening lives and livelihoods.
- Rising commodity prices, including food and energy prices are contributing to cost of living pressures.
- Global challenges like poverty and inequality, climate change, pandemics and conflicts disproportionately affect women and children, and the most vulnerable