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## Classroom Study Material **INTERNATIONAL**

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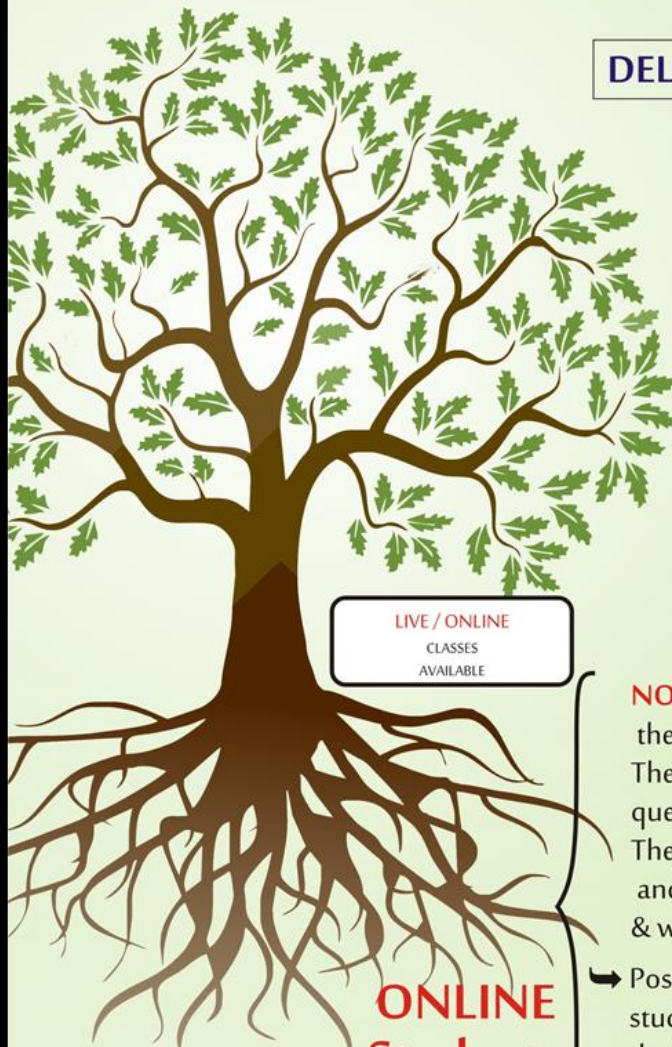
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# A. INDIA AND WORLD

## 1. INDIA AND ITS NEIGHBOURS

### 1.1. BANGLADESH

#### 1.1.1. INDIA BANGLADESH

India's links with Bangladesh are civilisational, cultural, social and economic. There is much that unites the two countries - a shared history and common heritage, linguistic and cultural ties, passion for music, literature and the arts.

#### Importance of Bangladesh for India

- **Geopolitical Importance of Bangladesh**
  - ✓ Bangladesh's location is a strategic wedge between mainland India and Northeastern seven states of the Indian Union.
  - ✓ Each of these states is land-locked and has shorter route to the sea through Bangladesh.
- **Success of Act-East policy**
  - ✓ Bangladesh is a natural pillar of this policy. It can act as a 'bridge' to economic and political linkages with South East Asia and beyond.
- **Socio-economic development of North-East**
  - ✓ Transit agreement with Bangladesh will spur the socio-economic development of North-East India.
- **To contain insurgency in North-East**
  - ✓ A friendly Bangladesh can ensure that no anti-India terror or insurgent activities can be carried out from its soil.
- **To reduce the influence of china**
  - ✓ A 'neutral' Bangladesh also ensures containment of an assertive China in this region, including along the strategic sea-lanes of the Bay of Bengal. It will also help to counter China's One Belt One Road (OBOR) strategy. .

#### Major irritants with Bangladesh

- **Illegal migration:** Since the 1971 war of independence that created the state of Bangladesh, millions of Bangladeshi immigrants (the vast majority of them illegal) have poured into India.
- **Border Management:** The Indo-Bangladesh border is notorious for smuggling, apart from trafficking in arms, drugs and people.
- **China card:** Bangladesh uses China card to supplement its bargaining capacity against India.
- **Water –sharing :** We share 54 trans-boundary rivers, big and small.

#### Some of the major water sharing disputes

##### Ganga river dispute

- In 1996, the sharing of the Ganga waters was successfully agreed upon between the two nations. However, the major area of dispute has been India's construction and operation of the **Farakka Barrage** to increase water supply to the river Hooghly.
- Bangladesh complains that it does not get a fair share of the water in the dry season and some of its areas get flooded when India releases excess waters during the monsoons.

##### Teesta River dispute

- Teesta originates in Sikkim, flows through West Bengal in India before entering Bangladesh. It merges with the Brahmaputra River (or Jamuna when it enters Bangladesh). The river is important for both Bangladesh and India for its agricultural use.

### Teesta river agreement timeline

- In 1983, India and Bangladesh had agreed into an ad hoc sharing of the water during the dry season (October to April) with an allocation of **36 per cent for Bangladesh and 39 per cent** for India, leaving **25 per cent to be decided** later. But this deal has remained pending for more than 2 decades.
- As per an agreement of 2011 the two sides had agreed to share the river's **water 50:50**, the same as the 1996 Ganges water-sharing pact between the neighbours. This agreement was not signed due to opposition from **chief minister of West Bengal**.

### Tipaimukh Hydro-Electric power Project

- Bangladesh has been demanding to stop the construction of the Tipaimukh Hydro-Electric Power Project on the Barak River on the eastern edge of Bangladesh.
- Bangladesh says that the massive dam will disrupt the seasonal rhythm of the river and have an adverse effect on downstream agriculture, fisheries and ecology of the region.
- Indian government has assured Bangladesh that it will not take any unilateral decision on the Tipaimukh Hydro-Electric Power Project which may adversely affect Bangladesh.
- **Presence of anti-India groups**
  - ✓ Despite a crackdown by the Sheikh Hasina government, the continuing presence of anti-India forces across the border like **Harkat-al-Jihad-al-Islami (HUJI)**, the recently banned political outfit **Jamaat-e-Islami**, and HUJI-B whose links to al Qaeda.

### Recent Development in relations

- **Land Boundary Agreement time line**

India and Bangladesh have a common land boundary of approximately 4,096.7 km. The India-East Pakistan land boundary was determined as per the Radcliffe Award of 1947.

- ✓ **Land Boundary Agreement (LBA) of 1974:** It was an agreement signed on May 16, 1974, soon after the independence of Bangladesh, to find a solution to the complex nature of border demarcation. While Bangladesh ratified the agreement, India didn't as it involved seceding territory and indicating these precise areas on the ground.
  - ✓ In September 2011, India and Bangladesh signed a protocol on border demarcation and exchange of adversely held enclaves.
  - ✓ **100<sup>th</sup> Amendment to the Indian constitution (Amendment of First Schedule to Constitution):** Exchange of certain enclave territories with Bangladesh and conferment of citizenship rights to residents of enclaves' 100<sup>th</sup> Amendment Act paves the way for the operationalization of the 1974 India-Bangladesh Land Boundary agreement.
  - ✓ Under the Agreement (LBA), 111 border enclaves will be transferred to Bangladesh in exchange for 51 that will become part of India.
- **Power agreement and internet service:** Prime Ministers of India and Bangladesh commissioned international gateway of internet service in Agartala and supply of **100MW power to Bangladesh from Tripura**.

### Major Agreements

- **Bilateral Cooperation Agreement between Bureau of Indian Standard (BIS) and Bangladesh Standard and Testing Institute (BSTI) on cooperation in the field of Standardization.**
- **Cultural Exchange Programme** for the year 2015-2017.
- MoU for extending a **new Line of Credit (LoC) of \$ 2.0 billion:**
- MoU on **Blue Economy and Maritime Cooperation in the Bay of Bengal and the Indian Ocean:** Envisages cooperation on blue economy and maritime sphere for **capacity building, training and joint research collaborations**, and setting up of a Joint Working Group to further cooperation in this area.
- MoU on **Bilateral Cooperation for Prevention of Human Trafficking, Smuggling and Circulation of Fake Currency Notes.**
- MoU on establishment of **Indian Special Economic Zone in Bangladesh:** Envisages cooperation for the establishment of an **Indian Economic Zone with the participation of business entities from both countries.**
- MoU between the **Coast Guards of India and Bangladesh:** to **prevent crimes at sea.**
- MoU for a **Project under India Endowment for Climate Change** First comprehensive document for **bilateral cooperation in education sector.**

- ✓ India will supply **100 megawatt (MW) of electricity in return for 10 Gigabits per second Internet bandwidth.**
- ✓ 100MW power will be supplied from Suryamaninagar grid to the grid in Comilla of southeast Bangladesh.
- ✓ India is already supplying 500 MW of power to Bangladesh through the Bahrampur-Bheramara inter-connection.
- ✓ North eastern region will get benefit of 10GBPS internet bandwidth from Bangladesh's submarine cable station at Cox Bazar.
- **'Sundarban Moitry' (Sundarbans Alliance):** Sundarban Moitry is a joint exercise between **Border Security Force (BSF) and Border Guard Bangladesh (BGB).**
  - ✓ It was first exercise held between BSF and BGB in the Sundarbans border area.
  - ✓ The exercise was held with the aim of finding better border managerial mechanisms for the two countries
  - ✓ Joint exercise would contribute to the prevention of cross-border crimes and expand border security activities more effectively.
- **"Agreement on Coastal Shipping":** India and Bangladesh signed the Standard Operating Procedure (SOP), to operationalize the "Agreement on Coastal Shipping" signed between the two countries in June, 2015. Salient points **about the SOP are**
  - ✓ The Standard Operating Procedure will pave the way to promote coastal shipping between India and Bangladesh and would enhance bilateral trade between the two countries by bringing down the cost of transportation of EXIM cargo.
  - ✓ The SOP contains provisions which stipulate that India and Bangladesh shall render **same treatment to the other country's vessels** as it would have done to its national vessels used in international sea transportation.
  - ✓ The two sides have also agreed upon the use of vessels of **River Sea Vessel (RSV) category for Indo-Bangladesh coastal shipping.**
- **Border Haats on India-Bangladesh Border**
  - ✓ A significant aspect of the growing India-Bangladesh ties has been the setting up of border haats (markets) along the international border in North East.
  - ✓ The haats had been thriving centres of trade and commerce across the borders till the partition of the sub-continent in 1947. Studies indicate that some haats existed even in the time of Mughal rule.
- **Integrated Check Post**
  - ✓ Recently, the Petrapole Integrated Check Post was inaugurated. Petrapole ICP is the second ICP on the India-Bangladesh border after the Agartala ICP at the Agartala (India)-Akhaura (Bangladesh) land border.
  - ✓ It will also be the biggest land port in South Asia. The Petrapole ICP will enable greater economic integration and significantly improve the connectivity between India and Bangladesh.

#### **Important agreements/MoUs with respect to connectivity to North-East**

- **Bilateral Trade Agreement (Renewal):** The agreement was first signed in 1972. The renewal of Agreement envisages **promotion of trade through land, waterways, and railways between the two countries and provides for transit to the North-East India.** It also facilitates access to Bangladesh cargo through India into Nepal and Bhutan. **Agreement on Dhaka-Shillong-Guwahati Bus Service** and its Protocol: Will promote people to people contact.
- Agreement on **Kolkata-Dhaka- Agartala Bus Service** and its Protocol: Would reduce the travel distance between the two state capitals of West Bengal and Tripura.
- **Protocol on Inland Waterways Transit and Trade (PIWTT) (renewal):** Protocol was first signed in 1972. Protocol outlines **mutually beneficial arrangements for use of waterways of both countries** for commerce.
- The transit would reduce the transportation cost substantially to carry goods from rest of India to country's north-east



- MoU on **Use of Chittagong and Mongla Ports for Movement of Goods to and from India.**

### 1.1.2. ATTACK ON SECULAR ACTIVISTS IN BANGLADESH

Bangladesh-a secular, Muslim-majority country-has struggled with violent Islamist groups since the country fought war for independence from West Pakistan in 1971.

Bangladesh, in recent times, has been witnessing a spate of attacks on minorities, liberals and secular activists, bloggers and journalists.

#### Why bloggers (liberals and secular activists)?

- Radicals groups have targeted bloggers for their “**atheistic**” and “**secular**” views over the last few years.
- The bloggers are among those who would want to hold on to the ideal of **a secular state** that was conceived after the historic war of liberation against the then West Pakistan in 1971.
- The bloggers were supporters of the **war crimes trial**.
- Bloggers are instrumental in shaping public opinion in cyber space **against communalism**.
- Bloggers have criticized militant/ radical groups.

#### Fall out of war trial

- The current **Awami League government** claims to be committed to secularism, and has boldly initiated the trial of war criminals who committed genocide and mass rape during the Liberation War of 1971
- **Jamaat-e-Islami**, the country’s leading Islamist party and firm ally of the **Bangladesh Nationalist Party (BNP)**, has been hardest hit by these trials. Many of their leaders have been convicted of war crimes.
- The main opposition, the **Bangladesh Nationalist Party**, has joined hands with the **Jamaat-e-Islami** to unleash violent protests against the government, particularly against the war trial in which several Jamaat leaders have been indicted.
- When one of the leaders, Abdul Quader Mollah, was convicted, spontaneous agitations erupted in Dhaka culminating in the **Shahbag protests in 2013** demanding capital punishment for those convicted for the war crimes of 1971.
- In fact, much of the recent Islamist militancy in Bangladesh is in response to the trials of 1971 war criminals by the International Crimes Tribunal.
- Since 2013, a variety of local Islamist groups are believed to be responsible for the murders of at least 40 pro-secular writers and activists, members of religious minorities and foreigners.
- The killing of the bloggers comes against this background.

#### Analysis

- Killing of secular bloggers also raises questions about the **commitment and capability of the Bangladesh government** in protecting its citizens from organised violence.
- By means of the murders the **Islamists are sending a message to the government and the public** that anyone who criticises them would face a similar fate.
- Government should initiate credible steps to ensure the safety of citizens. Failing to do that would only send a message to the assailants that the authorities tend to tolerate such attacks.

The only way to fight terror is to not be terrorised but to politically isolate the terrorists while mounting an ideological battle against terror.

## 1.2. MYANMAR

### 1.2.1. INDIA-MYANMAR

India and Myanmar have traditionally had much in common, with cultural, historical, ethnic and religious ties, in addition to sharing a long geographical land border and maritime boundary in the Bay of Bengal.

#### Importance of Myanmar for India

- **To tackle insurgency in North-East:**
  - ✓ Myanmar is central to Northeast India's security as "a large number of cross-border ethnic groups and insurgents from Northeast India have military bases in Myanmar.
  - ✓ Last year, Indian troops reportedly crossed into Myanmar territory to target a National Socialist Council of Nagalim (Khaplang) military camp
  - ✓ Myanmar has reiterated its resolve not to allow its territory to be used against India.
- **Act-East policy**
  - ✓ Myanmar's importance lies in its geo-strategic location at the tri-junction of east, south-east and south Asia.
  - ✓ Myanmar is strategically important to India as it is the only ASEAN country that shares a border with India.
  - ✓ In geopolitical terms, New Delhi saw Myanmar as a buffer state with China.
  - ✓ Myanmar is a crucial link to Bangladesh-China-India-Myanmar Economic Corridor.
- **Energy security**
  - ✓ Myanmar is on India's energy security radar on account of its "abundant oil and natural gas" reserves.
  - ✓ Oil and gas companies ONGC Videsh and GAIL are aggressively scouting for more exploratory blocks in Myanmar.
- **Trade and investment opportunities**
  - ✓ The Myanmar economy is moving away from a centrally-planned superstructure to a market-led framework.
  - ✓ Myanmar — like the other CLMV countries (Cambodia, Laos, Myanmar and Vietnam) — represents a rapidly growing economy with rising consumption, strategic location and access, rich natural resources (oil, gas, teak, copper and gemstones), biodiversity and an industrious workforce with low wages. And it offers significant opportunities for trade in goods and services, investment and project exports.
  - ✓ Bilateral trade rose from US\$ 328 million in 1997-98 to US\$ 2.052 billion in 2015-16. Myanmar is the second largest supplier of beans and pulses to India.
  - ✓ India is presently the ninth largest investor with an approved investment of US\$ 730.649 million by 22 Indian companies. Most of India's investments have been in the oil and gas sector.
  - ✓ India's engineering sector is eyeing the Myanmar market to create a bigger presence for engineering exports.
- **Economic development of North-East**

India is focusing on connectivity to integrate north-east region with Myanmar also with ASEAN.
- **Regional cooperation**
  - ✓ **ASEAN:** Myanmar is only ASEAN country which shares a land border with India.
  - ✓ **BIMSTEC:** Myanmar became a member of BIMSTEC in December 1997. Myanmar is a signatory to the BIMSTEC Free Trade Agreement.
  - ✓ **Mekong Ganga Cooperation:** Myanmar is a member of the Mekong Ganga Cooperation (MGC) since its inception in November 2000.
  - ✓ **SAARC:** Myanmar was given the status of observer in SAARC in August 2008.



## 1.2.2. FLAGSHIP PROJECTS

### Kaladan Multi-Modal Transit Transport Project

#### What it is?

- The Kaladan Multi-Modal Transit Transport Project is a project that will connect the seaport of Kolkata with Sittwe seaport in Myanmar by sea; it will then link Sittwe seaport

to Lashio in Myanmar via Kaladan river boat route and then from Lashio on to Mizoram in India by road transport.

### Benefits for India

- Current route from North East to Kolkata port via chicken neck faces heavy traffic; cargo via this route takes many days to reach a port.
- This project will **reduce distance from Kolkata to Mizoram by approximately 1000 km** and cut travelling time to 3-4 days for transport of goods
- Apart from development of North-East region, this route is necessary in case of any conflict with China as the present route, i.e., chicken neck could be blocked by China in conflict situation.
- The access to the sea that the project provides its Northeastern states could boost their economies.
- It would strengthen India's trade and transport links with Southeast Asia.
- It not only serves the economic, commercial and strategic interest of India but also contributes to the development of Myanmar and its economic integration with India.
- It will be instrumental for "act-east policy".

### India-Myanmar-Thailand trilateral highway

- India's renewed commitment to complete the 3,200-km India-Asean trilateral highway that extends from Moreh in India to Mae Sot in Thailand via Mandalay, Myanmar.

## 1.2.3. DEMOCRATIC TRANSITION IN MYANMAR

Myanmar has sworn in **Htin Kyaw** as the country's first civilian President in more than 50 years.

- Mr. **Htin Kyaw's government** would be its most democratic administration since 1962 when the military seized power.
- Ms. Suu Kyi's **National League for Democracy (NLD)** won 77 per cent of the elected seats in Parliament. She cannot lead the government because of a constitutional provision that bars her since her sons are British and not Myanmar citizens.

### Background

- The National League for Democracy( NLD) won Myanmar's last free and fair election in 1990 in a landslide, but the result was ignored by the then ruling military. The NLD boycotted a 2010 poll held under military rule.
- The **Union Solidarity and Development Party (USDP)**, which is dominated by military and civil servants, will be the NLD's biggest opponent.
- Ms. Suu Kyi's own presidential aspirations are curtailed by a clause in the constitution that bars **individuals with children holding foreign citizenship from becoming head of state.**

### Political reforms in Myanmar

A process of reform has been under way in Myanmar since November 2010, when military rule was replaced by a new military-backed civilian government.

- Release of Aung San Suu kyi from house arrest.
- The release of political prisoners.
- Free and fair by-poll elections in 2012 that saw Aung San Suu Kyi enter Parliament.
- The lifting of censorship on media houses.

### Military holds on Parliament

- As per 2008 constitution, **25 per cent of the seats** in the Upper and Lower houses of Hluttaw (House of Representatives) will be nominated by the military.
- The all-important **Defence and Home portfolios remain with the Tatmadaw** (The Myanmar Armed Forces), regardless of who comes to power.

## Challenges for new government

- **Economic development**
  - ✓ Myanmar is one of the poorest nations in Asia. In the years of isolation under the junta, economic growth stagnated, trapping millions in acute poverty.
- **From military**
  - ✓ One-quarter of seats in both Houses of Parliament are reserved for the military. This prevents any constitutional amendments without the military's approval.
  - ✓ The military also has direct control of three key Ministries: defence, home affairs and border affairs.
- **Ethnic conflict and issue of sovereignty:**
  - ✓ Myanmar's biggest challenge in the coming years will be to control, consolidate and protect its borders and its sovereignty. Moving forward on a comprehensive peace agreement with the ethnic nations and containing insurgencies will be its primary goal.
  - ✓ Myanmar has been the site of serious conflicts between **Buddhist and Muslim communities, particularly in Rakhine State.**

## 1.3. INDIA-BHUTAN

India and Bhutan have had long-standing diplomatic, economic and cultural relations. Bhutan-India relations are governed by a friendship treaty that was renegotiated only in 2007, freeing Thimphu's external relations from New Delhi, but still subjecting the Himalayan nation's security needs to supervision.

Indian Prime minister Narendra Modi visited Bhutan in June 2014. During his visit, the two sides agreed to continue close coordination and cooperation in areas related to their national interests.

### India-Bhutan treaty of Friendship time line

- On August 8, 1949 Bhutan and India signed the Treaty of Friendship, calling for peace between the two nations and non-interference in each other's internal affairs. However, Bhutan agreed to let India "**guide**" its **foreign policy** and both nations would consult each other closely on foreign and defence affairs. The treaty also established free trade and extradition protocols.
- India re-negotiated the 1949 treaty with Bhutan and signed a new treaty of friendship in 2007.
- The new treaty replaced the provision requiring Bhutan to take **India's guidance on foreign policy** with broader sovereignty and **not require Bhutan to obtain India's permission over arms imports.**

### Commercial Relations

India is Bhutan's largest trading partner. A free trade regime exists between India and Bhutan.

### Hydropower Cooperation

- Hydro-electric power generated by Bhutan's run-of-the river dams is the economic bedrock of the India-Bhutan relationship.
- India has helped finance the dams through a combination of aid and loans and buys the excess electricity at very low prices.
- Three hydro-electric projects (HEPs) totaling 1416 MW, (336 MW Chukha HEP, the 60 MW Kurichu HEP, and the 1020 MW Tala HEP), are already exporting electricity to India.
- In 2008 the two governments agreed to further develop a minimum of 10,000 MW hydropower generation capacities by 2020 and identified ten more projects.

### Eleventh Five Year Plan (2013-18)

- India has also provided financial assistance to its tiny neighbour's five-year development plans since 1961, last year committing Rs.4,500 crore for the period up to 2018.

### Bilateral trade

- In 2014, bilateral trade reached Rs.7965 crore. Imports from India were Rs. 4785 cr., accounting for 84.13% of Bhutan's total imports.

- Bhutan's exports to India stood at Rs. 3179 cr. (including electricity) and constituted 89.38% of its total exports.

### Cultural Relations

There is close bilateral cooperation in the educational and cultural fields between India and Bhutan.

### Importance of Bhutan

- Bhutan in a **buffer state** between India and China. Bhutan shares a 470 km long border with China. Traditionally, the Himalayan kingdom acted as a buffer state between the India and China .
- **Strategic importance:** The Chumbi Valley is situated at the trijunction of Bhutan, India and China and is 500 km away from the "Chicken's neck" in North Bengal, which connects the northeast with rest of the country.
- **To contain insurgency in North-East:** Bhutan has in the past cooperated with India and helped to flush out militant groups like United Liberation Front of Asom (ULFA) and National Democratic Front of Bodoland (NDFB) from the Himalayan nation.
- **To check Chinese inroad in Bhutan:** China is interested in establishing formal ties with Thimphu, where it does not yet have a diplomatic mission. Bhutan is strategically important for both India and China. Chinese territorial claims in western Bhutan are close to the Siliguri Corridor.

## 1.4. MALDIVES

### 1.4.1. INDIA-MALDIVES

As close and friendly neighbours, India and Maldives share ethnic, linguistic, cultural, religious and commercial links steeped in antiquity and enjoy cordial and multi-dimensional relations.

- India was among the first to recognise Maldives after its independence in 1965 and to establish diplomatic relations with the country. India established its mission at Malé in 1972.
- Maldives President Abdulla Yameen Abdul Gayoom paid official visit to India in April 2016.
- India and Maldives signed six agreements in different sectors.

#### Following are the list of agreements

- Action plan for defence cooperation.
  - ✓ Important component of the India-Maldives relationship and the shared strategic and security interests of the two countries in the Indian Ocean region.
  - ✓ The Action Plan envisages an **institutional mechanism** at the level of the Defence Secretaries to further bilateral defence cooperation.
- Agreement related to Orbit Frequency Coordination of "**South Asia Satellite**" proposed at 48°E.
  - ✓ The agreement shall be used for the purpose of performing intersystem orbit-frequency coordination **for the operation of 'South Asia Satellite'**; and fulfilling ITU level regulatory requirements and obtaining **international level protection/recognition** for the '**South Asia Satellite**'.
- MoU for cooperation in the area of conservation and restoration of ancient mosques and joint research and exploratory surveys in Maldives.
- MoU on cooperation in the field of tourism.
- Agreement for the exchange of information with respect to taxes.
- Pact for avoidance of double taxation of income derived from International Air Transport.

#### **India's support in the Commonwealth Ministerial Action Group (CMAG)**

- Maldivian President has thanked India for "protecting" his country from possible punitive actions from the Commonwealth Ministerial Action Group (CMAG), which had been asking **Maldives to move towards genuine democracy**.
- Mr.Yameen drew international criticism in November, 2015 after he declared national emergency. The Emergency was withdrawn later.

#### **Analysis**

Maldives is important country in Indian Ocean region (IOR). Relations between India and Maldives have witnessed many up and down.

- India is mainly concerned about growing ties between **Maldives and China**.
  - ✓ China is assisting Maldives in some infrastructure and developmental projects,
  - ✓ Maldives is also part of **China's Silk Road project**.
  - ✓ Male had terminated the agreement it entered into with GMR in 2010 for the modernisation of the Ibrahim Nasir International Airport. The airport expansion project was subsequently given to the **Chinese company**.
- India's help to Maldives.
  - ✓ Indian Army's '**Operation Cactus**' foiled a coup in Maldives that was attempted by a pro-Eelam group in 1988. India maintains a naval presence in Maldives, at the request of the Maldives, since 2009.
  - ✓ India dispatched "**water aid**" to the Maldivian capital of Male, after a fire destroyed the generator of its biggest water treatment plant.
  - ✓ India had assisted Maldives' election process by sending its observers.
- Maldives is the smallest country of South Asia. But its significance is no less because of its crucial geo-strategic location in the Indian Ocean. It sits astride on major sea lanes of communications (SLOCs). So close cooperation with Maldives is in India's interest.

#### 1.4.2. DEMOCRATIC CRISIS IN MALDIVES

Maldives became a multi-party democracy in October 2008 when a new constitution was implemented.

##### Dictatorship to democracy

- In October 2008 the Maldives held free and fair elections which ended the 30-year rule of autocrat Maumoon Abdul Gayoom.
- President Mohamed Nasheed of Maldivian Democratic party (MDP) came to power after elections in 2008.
- Nasheed's alleged order to arrest Criminal Court Chief Judge Abdulla Mohamed, whom he accused of political bias and corruption, led to weeks of protests.
- Mohammed Nasheed resigned in 2012 following weeks of public protests against his order to arrest the top Criminal Court Judge Abdulla Mohamed.
- Nasheed lost a presidential election one year later to Yameen Abdul Gayoom.

##### Political instability since 2012

- In the 2013 election, held after the country's first democratically elected President Mohamed Nasheed resigned amid protests, the Supreme Court annulled the first round of voting, in which Mr. Nasheed was leading.
- Mr. Yameen, candidate of Progressive Party of Maldives (PPM), clinched an unexpected victory in the presidential run-off over opposition leader and former president Mohammed Nasheed .
- Abdulla Yameen was sworn in as the sixth President of the Maldives.
- Nasheed was arrested over the detention of a judge in 2012, was charged under the Anti-Terrorism Act 1990. Nasheed had taken shelter at the Indian High Commission in Male to avoid arrest in connection with the same case in February 2013.
- Mr. Nasheed was jailed for 13 years on terrorism charges. A United Nations panel had ruled the jailing illegal and called for his immediate release

##### Authoritarian regime of Mr. Yameen

- The Mr. Yameen Presidency has been criticised widely for its intolerance of dissent and crackdown on the opposition.
- Maldivian government took several steps to bolster Mr. Yameen's authority such as removal of Chief Justice, police chiefs and arrest of Vice President and former Defence Minister.
- These incidents earned widespread condemnations from various countries, including India. Prime Minister Narendra Modi skipped Maldives in his Indian Ocean tour.

## Analysis

Mr. Yameen should be ready to change his authoritarian ways, respect the democratic rights of his people, allow the opposition to operate freely and thereby strengthen the foundations of the young democracy. Only then can he offer a stable government to his people and save the Maldives from this state of flux.

## 1.5. NEPAL

### 1.5.1. INDIA-NEPAL

The relationship between the two countries is bound by history, geography, economic cooperation, socio-cultural ties and people-to-people relations. As close neighbours, India and Nepal share a unique relationship of friendship and cooperation characterized by **open borders and deep-rooted people-to-people contacts of kinship and culture.**

#### Recent development in bilateral relations

- When a devastating 7.8 magnitude earthquake struck Nepal, the Government of India swiftly dispatched National Disaster Response Force (NDRF) teams and special aircrafts with rescue and relief materials to Nepal.
- The total Indian relief assistance to Nepal amounted to approx. US\$ 67 million.
- At an International Donors' Conference organized by the Government of Nepal in Kathmandu on 25 June 2015 towards post-earthquake reconstruction, India announced Indian assistance of US\$ 1 billion to Nepal, one-fourth of which would be as grant.

#### Nepal PM visit to India

Nepal's Prime Minister K.P. Sharma Oli paid his first state visit to India. In accordance with tradition, Mr. Oli made India his first destination abroad after becoming Prime Minister in October 2015. India and Nepal signed seven agreements.

#### List of the agreements

- MoU on utilisation of USD 250 million grant component of Government of India's assistance package for post-earthquake reconstruction assistance to Nepal:
  - The MoU includes four sectors — housing, health, education and cultural heritage have been identified.
- MoU on strengthening of road infrastructure in Tarai area of Nepal:
- MoU between Nepal Academy of Music and Drama and Sangeet Natak Academy
- This MoU aims to enhance relations between India and Nepal in the field of performing arts through exchanges of experts, exponents, dancers, scholars and intellectuals.
- Letters of Exchange on Transit Routes:
  - Transit between Nepal and Bangladesh through Kakadbhitta-Banglabandh corridor aims at simplification of modalities for traffic of goods between Nepal and Bangladesh while transiting through India, through the Kakadbhitta (Nepal) and Banglabandha (Bangladesh) corridor.
  - Operationalisation of Vishakhapatnam Port would provide transit facilities for Nepal through the Vishakhapatnam port.
- Inauguration of Muzaffarpur-Dhalkebar transmission line
- Establishment of Eminent Persons Group
  - At the third meeting of the India-Nepal Joint Commission held at Kathmandu in July 2014, it was decided to establish an **Eminent Persons Group (EPG)**. Its mandate would be to comprehensively review bilateral relations and recommend measures including institutional frameworks to further enhance bilateral ties.

#### Significance of visit

In August 2015, Nepal adopted new constitution since then there is continuous blocked at the indo-Nepal border by Madhesi. Nepal-India tensions spiked last year with the promulgation of a constitution that was perceived as non-inclusive of ethnic Madhesi and Tharu groups.

- The Nepal government accused India for imposing the blockade that led to a severe humanitarian crisis in Nepal. The Nepali government alleged that the Indian government had encouraged the blockade to apply leverage on Kathmandu to pursue constitutional reform.
- India refuted those allegations, stressing that the border tensions were caused by the **Madhesi parties** and were the outcome of internal protests in Nepal. India also accused Nepal of stoking 'anti-India' sentiment and has been irritated about Nepal's attempt to use the 'China card'.
- Nepal PM visit in such circumstance had provided opportunity to both sides to minimize misunderstanding. During the visit India conveyed that Kathmandu should urgently resolve the issue to create a sense of **"security and harmony" in the Terai region and ensure "uninterrupted commerce."**
- **Peace and stability** in Nepal is vital for India's economic development and security. Prolonged conflict in Nepal will have spillover effect especially in Bihar and Uttar Pradesh that share open border with Nepal.
- Anti-India feeling in Nepal may provide opportunity for china to exploit the volatile situation.

### Significance of Nepal for India

- **Strategic importance:** Nepal is a buffer state between India and china.
- **Internal security:** Nepal shares a long open border with India. There is alleged link between Naxalits and Maoist in Nepal.
- **Socio-economic development** of bordering states especially Bihar and Uttar Pradesh.
- **To counter terrorist activities** close to border areas: Many hard core terrorists had been apprehended in Nepal close to India's border.
- To check the growing influence of china in Nepal. Chinese are planning to construct road and rail link as part of silk route project.
- Nearly 30 lakh Nepalis (some 10 per cent of Nepal's population) are employed in India; this includes some 50,000-60,000 soldiers.

### Major irritant in bilateral relations

- Nepal has accused that India is interfering in its internal political matters.
- India is worried about Nepal growing close relation with china. China has taken a firm step to extend the Silk Road Economic Belt to South Asia, by working out a blueprint of connecting Nepal with the Eurasian transport corridor.
- Trade imbalance

## 1.5.2. NEPAL: ADOPTION OF NEW CONSTITUTION

Nepal adopted its first democratic Constitution, a historic step for a nation that has seen war, a palace massacre and devastating earthquakes since a campaign to create a modern state began more than 65 years ago.

### Important features of constitution:

- The constitution defines Nepal as a secular country, despite widespread protests for it to be declared a Hindu state.
- **Federal system: It creates seven states in a secular, federal system.**
- Nepal's constitution divided the country **into seven provinces.**
  - Kathmandu, the capital district, lies in province No. 2 and except this all other provinces have three geographical divisions, mountain region, hilly region and southern plains.
- **"Entitlement approach" to rights"**

Nepal's draft provincial boundaries



Note: Colours show the proposed boundaries for seven federal provinces



- Nepal's new constitution has been based on the "entitlement approach" to rights.
- It guarantees fundamental rights as well as the right to food, right to education and right to protection from environmental degradation. In a move loaded with meaning, the constitution gives right of protection from human trafficking.
- The needs of marginalised communities, including the Dalits, the disabled and those from the LGBT community, are addressed.
- Confirming social and economic rights as fundamental
- Rejecting the death penalty
- Amendments can be adopted with relative ease over the next two years and four months, as the Constituent Assembly enjoys a kind of afterlife as a Parliament.

#### **Discontent over the new constitution**

- The promulgation happened even as violent protests raged in the Terai against "injustice" meted out to the Madhesis.
- The protestors were upset that the federal restructuring of Nepal into seven provinces left the Madhesis divided among five provinces, with only one of them having a majority of plains-origin people.
- Delineation of electoral constituencies in the Terai (where more than 50 per cent of Nepal's people live) which has not been done on the basis of the population in the plains; this creates a grievance about gerrymandering.
- Other complaints relate to citizenship norms that disallow children of Nepali mothers married to foreigners from inheriting Nepali citizenship.

#### **India Government Response**

According to the government, there are three major problems with the Constitution which prevents India from warmly welcoming the document.

- The federal-provincial demarcation is perceived to be unfair to the people of the Terai region;
- Secondly, the constituency delimitation is skewed against the Madhes population as half the population, that is the Pahadi (Hill) community gets 100 seats but the other half consisting of the Madhesi and the Janjatis get only 65 seats.
- Finally the 'proportional inclusion' clause, for reservation includes many forward castes of the Pahadi region, which negates the principle of affirmative action.
- India also feels let down that many of the commitments given by Nepal during the framing of the 2007 interim Constitution have been forgotten.

#### **Amendment to constitution: Present Situation**

- **Amendments-**
  - The Constituency Delimitation Commission (Article 286) shall consider population the first priority and geography the second while fixing 165 electoral constituencies (Article 84) as per the federal laws.
  - It also covers Article 42 to ensure more inclusive social justice.
- However, the amendment process did not include the main demand of the Madhesis for the creation of two separate Madhesi provinces on the plains of Nepal.
- **India's response**— India has described the first amendment of the Nepali Constitution as welcome development and hoped that other outstanding issues will be similarly addressed in a constructive spirit.
- **Madhesi's View** – The United Democratic Madhesi Front rejected a constitutional amendment passed by the Parliament to resolve the ongoing political crisis.

### 1.5.3. NEPAL AND CHINA RELATION

Nepali Prime Minister K P Sharma Oli's paid first official visit to China. Prime minister visit has yielded ten agreements, including a landmark deal on transit trade. They cover the fields of transit and trade, connectivity and infrastructure, energy exploration and storage, banking, scholarships and training.

#### List of important agreements/MOUs:

- The agreement on **transit through China** where China has agreed to provide the Tianjin seaport for transit of Nepali goods imported from third countries.
- The proposal on connectivity of **Nepal with the Tibet rail network**.
- Agreement on the Construction, Management and Maintenance of the Xiarwa Boundary River Bridge, (Hilsa Humla)
- Agreement on Economic and Technical to implement **Pokhara Regional International Airport Project**.
- China has agreed to upgrade two road links between Nepal and Tibet, agreed to extend the Chinese railway to Kathmandu and then to Lumbini.
- China has given its nod to a long-term **commercial oil deal**.
- China has also agreed to build oil storage facilities for Nepal.

#### Analysis

Some of these agreements are projected as historic and unprecedented, particularly those related to **transit through China and rail and road connectivity** between Nepal and China.

#### Transit agreement

- Transit agreement aimed at reducing Nepal's overwhelming economic dependence on India.
- At present **98 per cent of Nepal's third country** trade goes through India and to the port of Kolkata.
- The viability of agreement is debated as Tianjin is located at a distance of 3,000 km from Nepal, as against 1,000 km from the Haldia port in India being currently used by Nepal.
- Nepal's infrastructure in its northern region to connect with the proposed Tianjin transit facility is still not in place, and will take effort and investment to be operational.

#### Rail connectivity

- The proposal on connectivity of Nepal with the Tibet rail network will also take time.
- The Lhasa rail line has been brought up to Xigatse. Only by 2020, as per the current Chinese plans, will this line be brought nearer the Nepal border within Tibet.
- In building Nepal -Tibet rail link, the track will have to scale mountains as high as 6,000 m, either through tunnels or winding channels, involving heavy costs, time and effort.
- Besides the constraints of costs and terrain, rail connectivity between Tibet and Nepal is also a **political issue for the Chinese authorities**. They have to decide on the extent to which Tibet can be opened up to the outside world through land connection.

#### Impact on India–Nepal relations

- India's relation with Nepal has deteriorated after Nepal promulgated the constitution. For almost six months there was blocked in India-Nepal border. Continuous blocked have generated anti-India feeling in Nepal. That feeling is presently exploited by the present government.
- Through these agreements Nepal is trying to send a strong message to India that Nepal has a viable option in mobilizing **support from China to counter any pressure generated from India**.
- Agreement may have long term impact on India's relation with Nepal. Nepal is seen as a buffer state between India and china.
- Nepal tilt towards china may have **serious strategic implication for India**.
- There is a set pattern of the **Kathmandu regime flashing the China card** whenever it runs into difficulties with its own people and India lends support to the Nepali people's cause.
- India has yet to evolve a credible response to this Chinese push towards South Asia. China will readily and deftly exploit India's flip-flops towards its neighbours in this push. India, therefore, has to deal with **its immediate neighbours with prudence and sensitivity** and ensure that they are not alienated.

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## 1.6. INDIA-PAKISTAN

### 1.6.1. SIR CREEK DISPUTE

**Sir Creek:** Sir Creek is a 96 km tidal estuary on the border of India and Pakistan. The creek, which opens up into the Arabian Sea, divides the Gujarat state of India from the Sindh province of Pakistan.

#### Sir creek dispute time line

The Sir Creek dispute between India and Pakistan, which got its name from the British representative who negotiated the original dispute over firewood between the local rulers.

- **1908:** Dispute arises between the Rao (ruler) of Kutch and the Sindh government over the collection of firewood from the creek area.
- **1914:** The government of Bombay Province took up the resolution and gave award
  - ✓ Paragraph 9 of the 1914 resolution indicates that the boundary in Sir Creek is the green band on the eastern bank of the Creek.
  - ✓ However, paragraph 10 of the same resolution talks about the centre of the navigable channel being the boundary, incidentally as per the internationally accepted '**Rule of Thalweg**'.
- **1925:** The land boundary in the horizontal sector was demarcated by Sindh and Kutch in 1924-25 through a placement of 67 pillars.
- **1968:** India-Pakistan tribunal on Kutch border gives its award which upholds 90% of India's claim but it does not cover Sir Creek. The tribunal award relates to the area to the east of sir creek.



#### Pakistan's Position

- Pakistan claims the entire Sir Creek, with its eastern bank defined by a "**green line**" and represented on a 1914 map belongs to it.
- Accepting Pakistan's premise on the "green line" would mean loss of about **250 square miles of EEZ for India**.

#### India's Position

- India says that the green line is an indicative line and felt the boundary should be defined by the "**mid-channel**" of the Creek as shown on a map dated 1925.
- India supports its stance by citing the **Thalweg doctrine in international law**. The law states that river boundaries between two states may be, if the two states agree, divided by the **mid-channel**.
- Though Pakistan does not dispute the 1925 map, it maintains that the doctrine is not applicable in this case as it most commonly applies **to non-tidal rivers, and Sir Creek is a tidal estuary**.



#### Significance of Sir Creek

- Sir Creek itself has little value. It is a marshy wasteland. But where the boundary line runs through it will determine how much **Exclusive Economic Zone (EEZ)** one country will lose or gain.
- Much of the region **is rich in oil and gas below the sea bed**, and control over the creek would have a huge bearing on the energy potential of each nation.

## Challenges due to non-resolution of Sir Creek

- **Fisherman misery:**
  - ✓ The Sir Creek area is also a great fishing destination for hundreds of fishermen from both India and Pakistan.
  - ✓ Due to lack of proper maritime boundary, many of their boats stray across the perceived boundaries, and they end up being arrested by the other side.
  - ✓ The demarcation would also prevent **the inadvertent crossing over of fishermen** of both nations into each other's territories.
- **Drug syndicate / Smuggling:**
  - ✓ Over the year this region has become main route to smuggle drugs, arms and petroleum product to India.
  - ✓ The blurred maritime boundary is being exploited by drug syndicate.
- **Terror design:**
  - ✓ Terrorists are using disputed area to cross over Indian side.
  - ✓ In 26/11 terror attack, terrorists captured an Indian fishing vessel, Kuber, off Sir Creek, and used it to attack Mumbai.
- **Maritime boundary:**
  - ✓ The resolution of sir creek help in the determination of the maritime boundaries which are drawn as an extension of onshore reference points.
  - ✓ Maritime boundaries also help in determining the limits of Exclusive Economic Zones (EEZs) and continental shelves.

## Way forward for resolution

- Designating the non-delineated area-Sir Creek and its approaches-as a zone of disengagement or a **jointly administered maritime park**.
- Given the creek's ecological sensitivity, both countries could designate the area a **maritime sensitive zone**.

## 1.6.2. SIACHEN DISPUTE

Siachen-which means the land of roses-also has the dubious distinction of being the world's highest battlefield. A triangular bit of land between Pakistan occupied Kashmir and the part ceded by Pakistan to the Chinese.

The Siachen dispute is a direct result of the ambiguity that exists in the Karachi ceasefire agreement of July 1949. The agreement, which established the ceasefire line, the positions of the two militaries at the end of the 1947-1948 war, did not delineate beyond **grid reference NJ 9842**, which falls south of the Siachen glacier, to the Chinese border but left it as "Chalunka (on the Shyok River), Khor, **thence North to the glaciers**".

### Interpretation of Karachi ceasefire agreement

Indian and Pakistani sides have since interpreted the phrase "thence North to the glaciers" very differently.

- ✓ Pakistan argues that this means that the line should go from **NJ 9842 straight to the Karakoram pass on the Sino-Indian border**.
- ✓ India, however, insists that the line should proceed north **from NJ 9842 along the Saltoro range to the border with China**.



- **Strategic location**

- ✓ Siachen sits at a very strategic location with Pakistan on the left and China on the right. So Pakistan re-interpreted it as North-Eastwards to claim the area beyond the Saltoro Ridge and beyond Siachen as its own. This would give Pakistan direct connectivity to China as well as a strategic oversight over the Ladakh region and on to the crucial **Leh-Srinagar highway posing a serious threat to India.**



- **Operation Meghdoot**

- ✓ In 1983, Pakistani generals decided to stake their claim through troop deployments to the Siachen glacier. To pre-empt Pakistan, India launched **Operation Meghdoot** in April 1984 and occupied the high points of the glacier.
- ✓ The Indian Army currently controls all of the 70 kilometres long Siachen Glacier and all of its tributary glaciers, as well as the three main passes of the Saltoro Ridge immediately west of the glacier, Sia La, Bilafond La, and Gyong La, thus holding onto the tactical advantage of high ground.

- **Cost of military deployment in such inhospitable territory**

- ✓ Recent avalanche on the Siachen glacier that buried 10 Indian Army soldiers.
- ✓ Avalanches are a threat not just to Indian soldiers, but also to the Pakistani troops.
- ✓ In April 2012, in the Gayari sector, 129 soldiers of the 6th Northern Light Infantry of the Pakistani military and 11 civilian contractors were buried by a massive avalanche.
- ✓ It is not just avalanches; the challenging terrain of the glacier and its surroundings as a whole have been regularly claiming lives.
- ✓ According to reliable estimates, over 2,000 soldiers from both sides have died on the Siachen glacier since 1984, when India beat Pakistan by a few days to occupy many of the strategic locations on the glacier.

### **Demilitarization of Siachen**

Ever since the two militaries began a costly engagement on the glacier, there have been numerous efforts by both countries to find a way to demilitarise the glacier. However, demilitarisation talks in the past have met with a major roadblock:

- **India Position**

- ✓ New Delhi insists that the present ground positions on the Saltoro ridge should be demarcated and authenticated on a map before any demilitarisation could be conducted.
- ✓ Moreover, New Delhi does not want a disagreement on the posts and locations to be vacated by the Indian side. This feeling has further strengthened after the Kargil intrusion by Pakistan.
- ✓ India has therefore insisted that joint demarcation of the **Actual Ground Position Line (AGPL)** on the ground as well as the map should be the first step to be followed by a joint verification agreement and redeployment of forces to mutually agreed positions.

- **Pakistan Position**

- ✓ India is the occupying party in Siachen and it should unconditionally withdraw and the pre-1984 status quo should be maintained.
- ✓ Over the years, Pakistan has suggested that troops on both sides should withdraw to a point south of **NJ 9842, to the pre-1972 Simla Agreement positions.** However, it has been reluctant to authenticate ground positions.
- ✓ Pakistan has proposed that demilitarisation of the region, withdrawal of forces and authentication proceed simultaneously. Islamabad also reasons that by occupying Siachen in 1984, India is in breach of the Shimla Agreement.

### 1.6.3. INDIA-PAKISTAN RIVER DISPUTE

Pakistan has decided to return to an **international tribunal** to settle a dispute with India over sharing waters of the Kishenganga and Ratle rivers.

**Pakistan's New Strategy:** Experts in Pakistan are pointing out that unlike the previous arbitration, Pakistan will this time around take up the issue of "**design**" of the **Kishenganga and Ratle river** projects in Kashmir.

#### Kishanganga Hydroelectric Plant Dispute time line

The **Kishanganga Hydroelectric Plant** is a dam which is part of a run-of-the-river hydroelectric scheme that is designed to divert water from the Kishanganga River to a power plant in the Jhelum River basin.

- In 2010, Pakistan appealed to the Hague's **Permanent Court of Arbitration (CoA)**, complaining that the Kishanganga Hydroelectric Plant violates the **Indus River Treaty** by increasing the catchment of the Jhelum River and depriving Pakistan of its water rights.
- India maintained that **Run-of-the-river** projects are permitted by the Indus treaty within defined limits.
- The International Court of Arbitration gave its "final award" on 20 December 2013, wherein it allowed **India to go ahead with the construction of the Kishanganga dam.**
  - ✓ The "final award" specifies that **9 m<sup>3</sup>/s of natural flow** of water must be maintained in Kishanganga river at all times to maintain the environment downstream.
  - ✓ For management of sedimentation in the dam, India planned to use the modern drawdown flushing technique that requires waters to be brought below the Dead Storage Level. This technique was accepted by the neutral expert in the **Baglihar dispute with Pakistan** but **has been disallowed by the Court of Arbitration.**

#### About Indus Water Treaty -1960

The **Indus Waters Treaty** is a water-distribution treaty between India and Pakistan, brokered by the World Bank (then the International Bank for Reconstruction and Development). The treaty was signed in Karachi on September 19, 1960 by Indian Prime Minister Jawaharlal Nehru and President of Pakistan Ayub Khan.

- According to this agreement, control over the three "**eastern**" rivers-the **Beas, Ravi and Sutlej**-was given to **India** and the three "**western**" rivers-the **Indus, Chenab and Jhelum**-to **Pakistan.**
- **Permanent Indus Commission:** The Treaty provides for exchange of data and co-operation in matters related to its provisions. For this, it establishes a Permanent Indus Commission (PIC) with each country having one commissioner in it.

#### Dispute resolution mechanism

The Treaty recognises three categories of divergence and mechanism for their resolution:

- 'Questions' to be discussed and resolved at the level of the **Indus Commission**, or at the level of the two governments;
- 'Differences' (that is, unresolved 'questions') to be referred to a **Neutral Expert (NE)** if they are of certain kinds (that is, broadly speaking, differences of a technical nature); and
- 'Disputes' (going beyond 'differences,' and perhaps **involving interpretations of the Treaty**) that are referable to a **Court of Arbitration.**

### 1.6.4. INDIA'S POLICY SHIFT TOWARDS PAKISTAN

In a significant shift in policy on Pakistan, Prime Minister Narendra Modi made a reference to the Baloch freedom struggle in his Independence Day speech, saying the people in the conflicted Pakistani state of **Balochistan, as also in Gilgit and Pakistan-occupied Kashmir**, had reached out to him.

#### Unprecedented move

- Diplomats said the Prime Minister's decision to raise Balochistan in his speech was "**unprecedented**" It was for the first time in the history of India-Pakistan ties that an Indian PM has spoken on Balochistan.

- In past, External Affairs Ministry had referred to Pakistani government bombing its people in Balochistan in December 2005, and then criticised the killing of **Baloch leader Nawab Akbar Shahbaz Khan Bugti** in an airstrike in 2006.
- India's decision to highlight the **atrocities by Pakistani forces in Pakistan occupied Kashmir (PoK)** and in **Balochistan** is a clear departure from past practice.
- The new strategy was seen as the most effective way to **counter Pakistan's attempts at attacking India**.
- By raising human rights issues in this context, India is acting in accordance with **its own democratic standards and traditions, and this is entirely legitimate**.

#### Apprehension with new strategy

- Despite all its attempts over the years, Pakistan has been unsuccessful in getting the United Nations or the P-5 Security Council members to consider any reference on Kashmir; the subject was last discussed by the **UNSC in 1971**.
- As an active aspirant to a permanent seat in the Security Council, India's stature would be enhanced internationally if it instead sets in motion a **bilateral process to resolve issues** with its neighbour, with a view to ending the decades-old dispute.
- Critics pointed out that the new policy of highlighting PoK issues could lead to **"internationalising" the Kashmir issue**.
- Communist Party of India (Marxist) had said it would give Pakistan an opportunity to **"internationalise" the Kashmir issue**.

#### Pakistan response

- Pakistan said Prime Minister crossed the **"red line"** by talking about Balochistan.
- Pakistan alleged that India is involved in subversive activities in Balochistan and Karachi and also it is referring to Balochistan to **cover up its human rights violations in Kashmir**.
- It has also accused Delhi of collaborating with Kabul and Tehran in destabilising Balochistan. Pakistan alleged that Delhi and Washington are promoting terror in Balochistan to undermine China's economic projects.

### 1.6.5. ISSUE OF BALOCHISTAN

Balochistan is Pakistan's largest, but least developed province, which is home to over 13 million people, mostly Balochis.

- The roots of the conflict go back to the country's independence. When Pakistan was born in 1947, the rulers of the **Khanate of Kalat**, which was a princely state under the British and part of today's Balochistan, refused to join the new nation.
- Pakistan sent troops in March 1948 to annex the territory. Though Yar Khan, the then ruler of Kalat, later signed a treaty of accession, his brothers and followers continued to fight.

#### Insurgency and human rights violations

- There are several separatist groups in the province.
- The strongest among them is the **Balochistan Liberation Army (BLA)**, designated as a terrorist group by Pakistan and the U.K.
- Islamabad has claimed that India is backing the BLA.
- The Pakistani atrocities in the province had attracted international condemnation.
- Extra-judicial killings and enforced disappearances are the most common practice.

#### Lack of socio-economic development

- The Balochi nationalists accuse Islamabad of deliberately keeping the mineral-rich province poor, while Pakistan's rulers say the pace of development is slow due to insurgency.
- Attempts by Pakistan government to change the demography.
- Being denied a fair share of the natural gas revenue.
- The province remains the most backward of Pakistan.



## Big-ticket projects

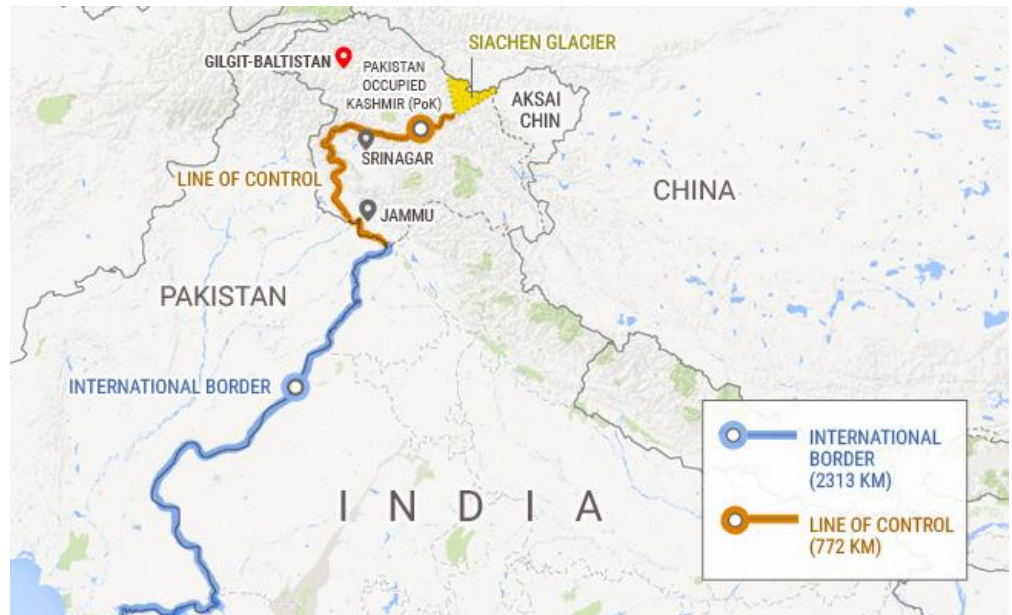
The province is now holding greater importance in Pakistan's grand economic and geopolitical strategies.

- CPEC passes through Balochistan. China is building Gwadar port in Balochistan.
- The Iran-Pakistan gas pipeline is also planned to go through Balochistan.

### 1.6.6. GILGIT-BALTISTAN

Gilgit-Baltistan is a chunk of high-altitude territory at the northwestern corner of Jammu and Kashmir. The region was a part of the erstwhile princely state of Jammu and Kashmir, but has been under Pakistan's control since November 4, 1947.

- The region was renamed 'The Northern Areas of Pakistan', and put under the direct control of Islamabad. The Northern Areas were distinct from Pakistan-occupied Kashmir (PoK).
- After the Pakistani government enacted the Gilgit-Baltistan Empowerment and Self-Governance Order in August 2009, the 'Northern Areas' came to be known as Gilgit-Baltistan.



#### What is Gilgit-Baltistan's current status?

- It has an elected Assembly and a Council headed by the Prime Minister of Pakistan. This Council wields all powers, and controls the resources and revenues from the region.
- Gilgit-Baltistan or Northern Areas do not find any mention in the Pakistani constitution: it is neither independent, nor does it have provincial status. This helps Pakistan maintain ambiguity about the region, in the way it does with PoK.

#### What is India's stand on the region?

- India sees Gilgit-Baltistan as part of Indian territory illegally occupied by Pakistan.
- The unanimous parliamentary resolution of 1994 had reaffirmed that the region is a "part of the State of Jammu and Kashmir, which is an integral part of India by virtue of its accession to it in 1947".

#### China role

Since the Pakistan-China agreement in 1963 which saw the transfer of the Shaksgam Valley to China, Beijing has been an important player in the region.

- China constructed the Karakoram Highway linking Kashghar in Xinjiang with Gilgit.
- China-Pakistan Economic Corridor (CPEC) passes through this region.
- India has opposed CPEC since it passes through disputed territory of J&K.

### 1.6.7. PAKISTAN INVITATION FOR TALK ON KASHMIR

Pakistan invited India for talks on Kashmir, saying it is the “international obligation” of both the countries to resolve the issue.

#### India’s response

- India rejected Pakistan offer of talk on Kashmir.
- India is prepared to talk to Pakistan only about terrorism issues, including the investigation into the **Pathankot airbase attack** in January 2016 and the **Mumbai 26/11 attacks in 2008**, with the addition of a new demand that **Pakistan vacate Pakistan-occupied Kashmir (PoK) immediately**.

#### Pakistan stands on Kashmir unrest

- Pakistan sought to escalate tension over Kashmir and called Hizbul Mujahideen militant Burhan Wani, a “Kashmiri leader” and accusing Indian forces of “extrajudicial killings.”
- Pakistan Prime Minister Nawaz Sharif had praised Wani and called him a martyr. Besides observing July 19 as a ‘Black Day’ to support the people of Kashmir, Sharif had said Pakistan would “continue to extend **moral, political and diplomatic support for Kashmiris**”.

## 1.7. AFGHANISTAN

### 1.7.1. INDIA-AFGHANISTAN

#### Background

- India and Afghanistan have a strong relationship based **on historical and cultural links**. Since time immemorial, the peoples of Afghanistan and India have interacted with each other through trade and commerce, peacefully coexisting on the basis of their shared cultural values and commonalities.
- During the **Soviet-Afghan war (1979-89)**, India was the only South Asian nation to recognise the Soviet-backed Democratic Republic of Afghanistan. India also provided humanitarian aid to then Afghan President Najibullah's government. Following the withdrawal of the Soviet forces, India continued to provide Najibullah's government with humanitarian aid.
- In 1999, India became one of the key supporters of the **anti-Taliban Northern Alliance**.
- In 2005, India proposed Afghanistan's membership in the South Asian Association for Regional Cooperation (SAARC). Both nations also developed strategic and military cooperation against Islamic militants.
- Afghanistan’s first Strategic Partnership Agreement was signed with India in 2011.
- India supports an Afghan led and Afghan owned national reconciliation process within the framework of the Afghan constitution.
- Recently, Prime Minister Narendra Modi was conferred with Afghanistan’s highest civilian honour, **the Amir Amanullah Khan Award**.

#### India’s contribution in institution and infrastructure building

India is **the sixth largest donor** to Afghanistan in diverse development projects in infrastructure, education and agriculture.

- India has played an important role in the reconstruction and rehabilitation of Afghanistan.
- India has contributed close to \$ 2 billion in institution and infrastructure development in Afghanistan. Most of India’s development projects in Afghanistan can broadly be divided into four categories:
  - ✓ Large infrastructure projects;
  - ✓ Humanitarian assistance;
  - ✓ Capacity building initiatives; and
  - ✓ Small Development Projects
- Some of the major projects are:

- ✓ Construction of a 218 km road from **Zaranj to Delaram** for facilitating movement of goods and services to the Iranian border.
- ✓ Construction of 220kV DC transmission line from Pul-e-Khumri to Kabul and a 220/110/20 kV sub-station at Chimtala,
- ✓ Construction of **Afghan-India Friendship Dam (Salma Dam)** in Herat province
- ✓ Construction of **Afghan Parliament**.

### The Strategic Partnership Agreement

India was the **first country** Afghanistan chose to sign a strategic partnership agreement with, despite the U.S. and Pakistan keen on doing so.

- India had promised, in a strategic partnership agreement signed in 2011 to assist in “the training, equipping and capacity-building programmes for the Afghan National Security Forces”.
- India donated three **Mi-25 attack helicopters** (with an option to send one more in future) to Afghanistan as part of the bilateral strategic partnership to counter the Taliban.
- It has also signed the **TAPI pipeline project** that aims to bring natural gas from Turkmenistan through Afghanistan and Pakistan to India.

### Trade relation

- India’s bilateral trade with Afghanistan stood at \$684.47 million in 2014-15. Despite the lack of direct land access, India is the second-largest destination for Afghan exports.
- Major stumbling block in trade is Pakistan refusal to provide land route.
- Afghanistan and Pakistan signed Afghanistan Pakistan Transit and Trade Agreement (APTTA) in 2011 which gives each country equal access up to the national boundaries of both.
  - ✓ At present, Pakistan allows Afghan trucks carrying goods meant for India only up to its last checkpoint at Wagah, and not to the Indian checkpoint at Attari, less than a kilometre away.
  - ✓ India expressed its willingness to join Afghanistan Pakistan Transit and Trade Agreement (APTTA).
- In such scenario, India needs to accelerate the expansion of the Chabahar port on the Iranian coast which provides an alternative route to Afghanistan and Central Asia.

### India’s concern

- Fragile government in Kabul has led to regrouping of Taliban and rise of Islamic state link militant organization. India is also apprehensive of Afghanistan becoming a center of radical ideology and violence again. Such a development would also affect Pakistan, and would inevitably reach India and spread further to other countries.
- Recently rise of Taliban attack raised question about security and safety of India’s assets and personnel working in Afghanistan.
- India is not part of peace process with Taliban.
- India is not very keen to provide more military assistance as envisaged in SPA because it may lead to India’s drawn into military conflict.
- The possibility of Indian arms leaking to militant outfits remains rife.

### India - Afghanistan Relationship Significance

For India, Afghanistan has immense strategic potential. More important; a friendly, stable regime in Kabul is geopolitical insurance against Pakistan’s deep state.

- Afghanistan is gateway to energy rich central Asia. Afghanistan is situated at crossroads between South Asia and Central Asia and South Asia and the Middle East.
- The massive reconstruction plans for the country offer a lot of opportunities for Indian companies.
- Afghanistan also has significant oil and gas reserves.
- Afghanistan has rich source of rare earth materials.
- Stable government in Kabul will not give safe heaven for terrorist activity that might reduce insurgency in Kashmir.
- Yet the most important goal for New Delhi remains the prevention of Pakistan from regaining its central role in Afghan affairs.

## 1.7.2. PEACE PROCESS IN AFGHANISTAN

### Resurgence of Taliban

Between January and June, 1,601 civilians were killed and 3,565 were wounded — a four percent increase in casualties compared to the same period last year, the United Nations Assistance Mission in Afghanistan (UNAMA) said.

### Taliban strategy

The Taliban strategy is twofold:

- To inflict casualties in major cities using bomb blasts and suicide attacks to demonstrate that **they can hit even the most protected targets**, and
- To try to occupy a provincial capital for a few days **to expose the limits of Kabul's authority**.

### Peace talk

**Quadrilateral Coordination Group (QCG)**, consisting of the U.S., China, Pakistan and Afghanistan, has been created to facilitate the process of direct talks between the Taliban and the Afghan government.

- The Taliban had categorically rejected talks with the Afghan government as long as the U.S. retained a military presence in Afghanistan.
- President Ghani's efforts at securing **Pakistan's cooperation** to kick-start peace talks with the Taliban have been a failure.
- The hope that China would use its influence on Pakistan has been belied.
- The U.S., sensing the growing vulnerability of the **National Unity Government (NUG)**, has announced that the current strength of its forces deployed in Afghanistan will continue till the end of the year. The U.S. Congress's conditions on Pakistan to do more on Afghanistan to receive any further American aid.
- The fifth meeting of the QCG was held on May, 2016 in Islamabad. It was unsuccessful.
- For the QCG to succeed and make any meaningful contribution to the Afghan peace process there has to be success at the following four segments: U.S.-Pakistan, Pakistan-Afghanistan, Pakistan-Taliban and intra-Afghan.

### Fragile National Unity government (NUG)

The U.S. had finessed the highly controversial 2014 presidential election by pushing the two contenders into a **National Unity Government** and the creation of the position of a **chief executive**.

- The Afghan constitution provides for a **presidential system**; however, the understanding was that within two years, by September 2016, the constitution would be suitably amended to convert the **chief executive's position into that of a prime minister**, and executive power would be shared.
- This needed fresh parliamentary elections, which were to take place after electoral reforms were introduced by an **Independent Election Commission**. None of this happened because the Commission has not been constituted; consequently, parliamentary elections cannot be held in 2016.
- Differences between President Ghani and Chief Executive Abdullah have paralysed governance.

### India's role in peace process

The U.S. is now more open to a larger role for India in Afghanistan, partly due to its frustration over Pakistan's failure or unwillingness to deliver on the promises.

- The U.S. has welcomed **India's efforts in reconstruction, development and institution-building** in Afghanistan, but maintained ambiguity on its security role.
- At Pakistan's insistence, U.S. has kept India out of the Afghanistan peace negotiations, which are now a four-nation initiative of the U.S., China, Pakistan and Afghanistan.

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## 1.8. SRILANKA

### 1.8.1. INDIA- SRI LANKA

India is Sri Lanka's closest neighbour that has ethnic links to its most significant minority, India is a huge influence in the island nation's political, economic, social and cultural consciousness, and its world view. In last two years, there is marked improvement in bilateral relation encompassing all major fields

Sri Lanka's President Visit to India	India's Prime Minister Visit to Sri Lanka
<ul style="list-style-type: none"> <li>• <b>Peaceful use of nuclear energy</b></li> <li>✓ India and Sri Lanka signed a civil nuclear cooperation agreement, the first such deal signed by Sri Lanka with any foreign country, reflecting the new Lankan government's pro-India approach.</li> <li>• <b>Cultural Cooperation</b></li> <li>✓ The Programme of Cultural Cooperation for 2015-18 seeks to enhance the level of cooperation in a wide variety of fields.</li> <li>• <b>MoU on the Establishment of Nalanda University.</b></li> <li>✓ The MoU would enable Sri Lanka to participate in the Nalanda University Project.</li> <li>• <b>Work-Plan 2014-2015 under the MoU on Cooperation in the field of Agriculture</b></li> <li>✓ The Work Plan would facilitate bilateral cooperation in Agro Processing, Agricultural extension, horticulture, agricultural machinery, training in farm mechanization, livestock diseases, etc. between relevant institutes and organizations from both countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Four MoUs have been signed during visit</li> <li>✓ visa exemptions for official passport holders</li> <li>✓ customs cooperation</li> <li>✓ youth exchanges and education, and</li> <li>✓ The construction of a university auditorium.</li> <li>• e-visa on arrival services for Sri Lankans</li> <li>• \$318 million Line of Credit to upgrade Sri Lanka's railways, and a promise to build Trincomalee as a "petroleum hub".</li> </ul>

#### 9th session of joint commission meeting

India's external affairs minister visited Sri Lanka to attend **9th session of joint commission meeting** to discuss key bilateral and regional issues. The joint commission was set up in 1992 as a mechanism to address issues of bilateral cooperation.

#### **Important highlights of Joint commission**

The discussions covered the entire gamut of relationship pertaining to economic cooperation, trade, power and energy, technical and maritime cooperation, social, cultural and educational matters, science and technology, defence cooperation, health, civil aviation, tourism and people-to-people contact.

- Sri Lanka proposed partnership in setting up a **Special Economic Zone (SEZ) in Trincomalee** and increase cooperation in aviation sector.
- The two sides also discussed plans to enhance cooperation in aeronautical research and use of Indian **satellite system 'Gagan' by Sri Lanka.**
- Sri Lanka proposed on cooperation on oil tanks farm in Trincomalee.
- **On tourism:** Second meeting of joint working group on tourism will be held in mid-2016 to take forward the collaboration on development **of Ramayana circuit in Lanka and extension of Buddhist circuit in India.**
- Sri Lanka made a request to India to consider new projects under the **Small Development Project (SDP) model.**
- The Joint Commission will look at facilitation of voluntary return and repatriation of Sri Lankan refugees from India.

- India has expressed support for Sri Lanka on its reconciliation and development policies.
- Two MoUs were signed after the meeting – one on renovating 27 schools in the Tamil-dominated Northern Province and the other on building a surgical ward and supplying medical equipment to the Batticaloa Teaching Hospital in the East.
- Sampoor project: 500-MW Sampoor thermal power project, a joint venture involving Sri Lanka and India, was granted environmental clearance.

### Trade Relation

India is Sri Lanka's largest trading partner globally, while Sri Lanka is India's second largest trading partner in the SAARC. Indian exports to Sri Lanka were US\$ 4,268 million while Lankan exports to India stood at just US\$ 643 million in 2015.

- The **India-Sri Lanka Free Trade Agreement of 1998** was followed by efforts towards a Comprehensive Economic Partnership Agreement (CEPA) to liberalise trade in services and investment starting in the mid-2000s.
- However, the CEPA negotiations dragged on for nearly a decade in the face of increasing opposition within Sri Lanka, particularly by the business community and certain interest groups such as the medical lobby.
- With the new momentum in closer bilateral ties, India is pushing for a new trade pact called the **Economic and Technological Cooperation Agreement (ETCA)**. The pro-liberalisation government of Prime Minister Ranil Wickremesinghe has been actively championing the proposed trade pact.
- The ETCA, widely perceived by the Sri Lankan public to be advantageous to India, is likely to become a trade-off for economic and political support from India to the Wickremesinghe government.

## 1.8.2. CONTENTIOUS ISSUES BETWEEN INDIA-SRI LANKA

- **Fishermen Issue**
  - ✓ The fishermen issue continues to be a **major irritant** in the Indo-Lanka ties.
  - ✓ The historic waters between India and Sri Lanka have become a battleground between the Tamil fishermen on both sides..
  - ✓ Sri Lanka accuses Indian fishermen of straying into its territorial waters, while the latter maintain they are only fishing in their traditional areas, especially around **Katchatheevu, an islet** ceded to Colombo in 1974.
  - ✓ India maintains that the fishermen issue has a socio-economic dimensions, livelihood and humanitarian dimension and wants a long term solution to the problem.
- **Devolution of power**
  - ✓ India stands for a "united Sri Lanka", but wants an "early and full implementation of the 13th Amendment" that provides for devolution in the Tamil majority Northern and Eastern provinces.
- **Reconciliation process and war crimes**
  - ✓ The UNHRC resolution on war crimes is another important issue on which both the countries have to reach an understanding.
  - ✓ India has advocated for speedy rehabilitation and resettlement of the Internally Displaced Persons (IDP).
- **Pro-china tilt**
  - ✓ Sri Lanka is part of China's Maritime Silk Road. China is also modernizing **Hambantota port in Sri Lanka**.
  - ✓ China also attaches **centrality to Sri Lanka to amplify its Maritime Silk Road**.
  - ✓ Recently, Sri Lanka has decided to clear the stalled **\$1.4 billion Colombo Port City**, which had China as a partner. China and Sri Lanka have decided to redefine the Colombo Port City project by making it an **international financial outpost** in the Indian Ocean

### Analysis

To reduce the Chinese influence on Sri Lanka, India needs to develop strong relation with new government in Colombo. Observers say that China's growing influence in South Asia poses a challenge to India, which could do well to revamp its neighbourhood policy.

### 1.8.3. SRI LANKAN WAR CRIMES

A U.N. report has identified patterns of grave violations in Sri Lanka between 2002 and 2011, strongly indicating that war crimes and crimes against humanity were most likely committed by both sides to the conflict.

#### Key Findings

- The U.N. report accuses government forces and LTTE of sub-human atrocities during war.
- **Unlawful killings:** Sri Lankan forces targeted Tamil politicians, aid workers, journalists while LTTE eliminated Muslims and Sinhalese.
- **Deprivation of Liberty:** forces used arbitrary arrest, enforced disappearances and extrajudicial killings as a norm
- **Gender violence:** Lankan forces used rape and sexual violence against men and women as a instrument of torture.
- It concludes that many of the instances established may amount to war crimes or crimes against humanity.
- It also records the killing of civilians by the Liberation Tigers of Tamil Eelam, its forced recruitment of adults and children, and preventing civilians from leaving the conflict zone.

#### Recommendations

The report recommends the establishment of a **hybrid special court**, integrating international judges, prosecutors, lawyers and investigators, as an essential step towards justice.

#### Sri Lankan government response

Sri Lankan government have committed to form domestic judicial mechanism to probe alleged war crimes .

#### UNHRC resolution

- The United Nations Human Rights Council adopted a resolution on alleged human rights violations during the Eelam War in Sri Lanka.
  - The resolution envisages the establishment of a **Sri Lankan judicial mechanism** to investigate allegations of violations and abuses of human rights and violations of international humanitarian law.
  - The proposed mechanism will include Commonwealth and other foreign judges, defence lawyers and authorised prosecutors and investigators.
- Sri Lanka has co-sponsored the resolution.
- The Tamil National Alliance (TNA) described the suggestion of involving the foreign and Commonwealth jurists as a **“significant victory for justice”**.

### 1.8.4. SRI LANKA BEGINS PROCESS TO DRAFT NEW CONSTITUTION

- Sri Lanka’s government began the process of drawing up a new constitution for the country aimed at eliminating causes that led to a quarter-century civil war.
- A motion was introduced in Parliament to convert it into a Constitutional Assembly to draft a new Constitution.
- Features of the Draft introduced in the Parliament
  - ✓ The government intends to strengthen democratic rights, promote national reconciliation and establish a political culture that respects the rule of law.
  - ✓ Once the Parliament adopts the draft Constitution Bill with two-thirds majority, the Bill will be sent to Provincial Councils for opinion and eventually, tested through referendum for the approval of people.
  - ✓ The Cabinet spokesperson claimed that for the first time [in Sri Lanka], a Constitution is going to be framed with the consultation of people.
- A survey taken by the Centre for Policy Alternatives during October-December 2015 revealed that 53.4 per cent of Sri Lankans agreed that the Constitution should be changed to produce a political solution to the country’s ethnic problem.

The emergence of a new order since 2015 under new President and Prime Minister provides a setting conducive for positive change. It is a historic opportunity for all stake-holders, including Tamils, Muslims and plantation Tamils, to participate in the process.



## 1.9. CHINA

### 1.9.1. CHINA-PAKISTAN

Chinese President Xi Jinping paid his historic maiden state visit to Islamabad. The Chinese President signed infrastructure and energy deals estimated at \$45 billion, which would be used to build the Pakistani node of Beijing's ambitious Maritime Silk Road (MSR).

#### China-Pakistan Economic Corridor (CPEC)

- Chinese President Xi Jinping unveiled his country's biggest overseas investment — the ambitious 3,000 km—long China—Pakistan Economic Corridor (CPEC).
- The project includes building of highways, railways as well as pipelines. It is among the **six economic corridors** conceived under China's Silk Road Economic Belt and 21st-Century Maritime Silk Road.
- Once the economic corridor is fully developed and Gwadar Port is fully modernised, China is hoping to reduce its dependency on the longer Malacca Straits route for its humungous energy need.
- It will shorten the route for China's energy imports from the Middle East by about 12,000 kms.
- The CPEC will link China's underdeveloped far—western region to Pakistan's Gwadar deep—sea port on the Arabian Sea via PoK through a massive and complex network of roads, railways, business zones, energy schemes and pipelines.
- Through the corridor from Kashgar, in China's restive Xinjiang province, to Gwadar, Beijing will find a point of access in the Indian Ocean at the **virtual tri-junction of South Asia, West Asia and Africa**.



#### India's concerns

- India expressed serious concern over China's ambitious economic corridor with Pakistan and said that it passed through the Indian Territory.
- India sees CEPC as china's policy to contain India from western border.
- In case of conflict china can mobilize troops using CEPC.

### 1.9.2. ONE BELT, ONE ROAD (OBOR)

The One Belt, One Road (OBOR) initiative is part of China's major policy framework to boost domestic development and foreign diplomacy. China also wants to 'reconstruct' the world order to fulfill its interests and become a dominant world power.

#### About OBOR

The "belt and road" have two components—the **Silk Road Economic Belt (SREB)** that would be established along the Eurasian land corridor from the Pacific coast to the Baltic Sea, and the 21st **century Maritime Silk Road (MSR)**.

- ✓ The "belt and road" run through the continents of Asia, Europe and Africa, connecting the vibrant East Asia economic circle at one end and developed European economic circle at the other.
- ✓ The SREB focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with Southeast Asia, South Asia and the Indian Ocean.
- ✓ On land, the initiative will focus on jointly building a new Eurasian Land Bridge and developing China-Mongolia-Russia, China-Central Asia-West Asia and China-Indochina Peninsula economic corridors.

- ✓ The 21st-Century MSR, in turn is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other.
- ✓ To implement the concept, the Chinese have stressed on joint consultation and joint building. China sees this as the most effective model that can be used to safeguard mutual benefits.

#### What China expects from OBOR?

- Address security threats
- Achieve long-term economic benefits
- Reduce America's threat to trade lifelines

#### Analysis

- Analysts point out that the 'One Belt One Road' initiative, backed by a solid financial institutional network, once implemented, is expected to accelerate the shift of **geo-economic power away from the United States, towards Eurasia.**
- More than 4.4 billion people, or 63 per cent of the global population countries, are expected to benefit from China's game-changing plans.
- Analysts say that the "belt and road" initiative could shift the center of geo-economic power towards Eurasia, and undermine the **"Asia Pivot"** of the United States and its allies.
- Chinese President Xi Jinping is hopeful that the mega-trade volumes among the Silk Road economies would touch \$ 2.5 trillion over the next 10 years.

#### India's strategy to counter OBOR

India is not part of OBOR. **India reaffirmed its opposition of One-Belt-One-Road initiative of China, with Foreign Secretary stating that New Delhi will join multilateral connectivity initiatives in Asia, only if they were pursued through a consultative process.**

- India has indicated that it sees China's OBOR as a "national Chinese initiative".
- The defence establishment is concerned that the project might not be altogether benevolent and that these corridors in future could be used for military mobilisation.
- There are concerns in India about being part of a "hegemonic project" that would ensure China-led development in the Indian Ocean region.
- The main point of contention for India is the China-Pakistan Economic Corridor or CPEC, which is also part of OBOR.
- For New Delhi, OBOR may be a potential economic opportunity but it also threatens India's interests.

#### India's strategy to counter OBOR

- India recently proposed the '**Cotton Route**' (seen by many as its answer to the Silk Route) to strengthen economic ties between countries in the Indian Ocean rim.
- It has also launched **Project Mausam and Spice Route** apparently in response to China's Belt and Road initiative.
  - ✓ The 'Mausam' project envisages the re-establishment of India's ancient maritime routes with its traditional trade partners along the Indian Ocean.
  - ✓ The 'Spice Route of India', visualises the India-centered linkup of historic sea routes in Asia, Europe and Africa.
  - ✓ Many people in India perceive the Mausam Project and the Spice Route as rivals to the Maritime Silk Road.

### 1.9.3. SOUTH CHINA SEA (SCS) DISPUTE

The Permanent Court of Arbitration (PCA) in The Hague, Netherlands, has ruled that China's claims of historical rights over South China Sea (SCS) has no legal basis. The case was brought to the court in 2013 by the **Philippines**, centring on the **Scarborough Shoal**, but Beijing chose to boycott the proceedings.

### What did the arbitration panel rule?

- The court at The Hague ruled that China's claims to the waters within the so-called "nine-dash line", with wide-ranging economic interests, was in breach of the **UN Convention on the Law of the Sea (UNCLOS)**.
- The court slammed China for damaging parts of the **ecosystem in the Spratly islands**- a contested archipelago-- on account of overfishing and development of artificial islands.
- The Court also said that China violated **the Philippines' sovereign rights**. It said China has caused "severe harm to the coral reef environment" by building artificial islands.

### What is the 'nine-dash' line?

The 'nine-dash line' stretches hundreds of kilometers south and east of its southerly Hainan Island, covering the **strategic Paracel and Spratly island chains**. China buttresses its claims by citing 2,000 years of history when the two island chains were regarded as its integral parts.

### Chinese response to ruling of PCA

- China rejected an international ruling on the South China Sea as "null and void" and devoid of any "binding force".
- China is contemplating to establish a military **Air Defence Identification Zone (ADIZ)** in the South China Sea (SCS). The imposition of an ADIZ would require overflying planes to first notify China.
- Many Chinese experts stressed that the entire episode was a cover to enforce the **US' "Pivot of Asia" or Rebalance strategy, aimed at the containment of China.**

### India's response

India has made it clear that it recognised that the tribunal had been set up within the jurisdiction of the **UN's Convention on the Law of the Sea (UNCLOS)** that must be given the "utmost respect".



### Why South China Sea is considered so important?

- The SCS is a busy international waterway, being one of the **main arteries of the global economy** and trade. More than \$5 trillion of world trade ships pass through the SCS every year.
- The SCS is also **resource rich, with numerous offshore oil and gas blocks.**

### 1.9.4. MILITARY REFORMS IN CHINA

China announced a major overhaul of its military to make it more agile and combat-ready, and capable of taking the battle to its adversaries far beyond its borders and shores. Chinese President Xi Jinping announced that the People's Liberation Army (PLA) will be cut by 300,000 personnel from its 2.3m-strong military force.

- The re-structuring will see all armed forces come under a joint operational military command to build, as President Xi Jinping put it, "an elite combat force" by 2020.
- China wants to transform its rapidly-modernizing PLA from its existing Soviet Union-style of functioning to a modern, unified



military on the lines of the US forces capable of projecting power all around.

- It will also involve regrouping China's existing seven military area commands of Beijing, Nanjing, Chengdu, Jinan, Shenyang, Lanzhou and Guangzhou into four strategic zones.
- The reforms involve strengthening the Central Military Commission (CMC) command structure over the PLA.
- China also officially admitted that it is in talks with Djibouti for an overseas logistics facility for its ongoing anti-piracy patrols in the Gulf of Aden, which many fear may convert into the country's first military base in the Indian Ocean Region (IOR) in the years ahead.

### Reasons behind the reforms

- China is involved in multiple territorial disputes with other Asian countries. This means that it is at least theoretically possible that China's military might one day face two enemies simultaneously, possibly in the East China Sea and the South China Sea. But China's Navy is not yet mature enough to fight two wars simultaneously.
- There is still the lingering problem of corruption. Before these reforms were announced, the PLA's Discipline Commission was relatively weak, unable to bring in its own members for justice. Now the Commission directly reports to Xi, which should, in theory, greatly enhance the Party's ability to fight corruption nationwide.



### Implications for India

- With merging of military commands on the eastern and western part of India, the Chinese forces will now have better command and control all along the LAC. It indicates that China will continue to apply sustained pressure and maintain an 'offensive' posture towards India.
- India needs to carefully watch the ongoing military reforms in China. They are certain to lead to increase in capabilities of the PLA, especially the Navy which has now been assigned with an expanded role – i.e. carrying out the task of 'open seas protection'.
- It should recognize that tensions in the contentious South China Sea and East China Sea are certain to rise, which may have negative implications of its Act East policy.
- China's move to have a base in Djibouti threatens India's role as security provider in Indian Ocean Region. Andaman and Nicobar Command (ANC), which could have counter-balanced China's naval forays into the IOR, has largely failed to live up to its initial promise of a robust theatre command due to turf wars among the three Services.

### ELEPHANT VS DRAGON

**STARK MILITARY ASYMMETRY**

	INDIA	CHINA
<b>Annual defence budget</b>	\$40 billion	\$130 billion
<b>Limited missile arsenal</b>	No ICBMs & SLBMs yet. Agni-III (3,000km range) inducted. Agni-IV (3,500km), Agni-V (over 5,000km) still being tested	Huge missile arsenal: DF-31A ICBM has 11,200km range; JL-2 SLBM has 7,200km range
<b>Nuclear warheads</b>	110-120	260
<b>Armed forces</b>	1.3 million troops	2.3 million troops
<b>Submarines</b>	14 (1 nuclear-powered)	56 (5 nuclear-powered)
<b>Major warships</b>	Over 30 (2 aircraft carriers)	75 (1 aircraft carrier)
<b>Fighter jets</b>	Over 550	Over 1,600
<b>Main battle tanks</b>	Over 3,200	Over 7,000

**Why India needs unified military structures?**

- ▶ To synergise combat capabilities of the Army, Navy & IAF, which often pull in different directions
- ▶ To better utilise limited defence budget

**A chief of defence staff required to**

- 1** Provide single-point military advice to government
- 2** Inject synergy among the 3 services in doctrinal, planning & operational matters
- 3** Prioritize inter-service procurements to build long-term military capabilities
- 4** Manage country's strategic resources & nuclear arsenal

India has really not gone in for major military reforms till now to inject the much-required synergy among the Army, Navy and IAF, reduce their poor teeth-to-tail combat ratio and better utilise scarce resources to systematically build military capabilities in a cost-effective holistic manner.

## 1.9.5. CHINA-IRAN RELATIONS

### Why in news

- President Xi Jinping became the first world leader to visit Iran after sanctions were lifted following the nuclear deal.

## Salient points

- In Tehran, he talked about a “new season” of Sino-Iranian ties and a 25-year strategic cooperation plan, committing to increase two-way trade to \$600 billion over the next decade.
- He also demonstrated the integration of West Asia in its New Silk Road connectivity project by flagging a train from its trading hub of Yiwu to Tehran.
- This container train will cover a journey of 10,399 km in its maiden journey to West Asia in 14 days. It will exit China through Alataw Pass in western China’s Xinjiang province, and then pass through Kazakhstan and Turkmenistan before heading for the Iranian capital.
- Both countries have agreed to enhance security cooperation through intelligence sharing, counter-terror measures, military exchanges and coordination.
- Beijing would also support Iran’s full membership in the Shanghai Cooperation Organisation, a China-led regional security framework.

## Iran’s importance for China:

1. Iran is vital for China’s continued rise. Its strategic location connecting West Asia and Central Asia is key to President Xi’s One Belt, One Road initiative
2. Iran offers immense investment opportunities for Chinese companies in several areas, particularly in energy and infrastructure.
3. The geopolitical value of Iran is immense for any power that seeks an ambitious role in West Asia.
4. From China’s point of view, Iran is among the most stable countries in the region. And it’s the only major country in West Asia where the U.S. has practically no influence.

## China’s Position towards Iran during Sanctions:

- During Iran’s isolation era, China adopted a dual approach: it supported UN resolutions against Iran’s nuclear programme while expanding economic and security cooperation with Tehran.
- During this period, China overtook the European Union as Iran’s largest trading partner. Chinese-Iranian trade increased from about \$3 billion in 2001 to over \$50 billion in 2014.
- Security ties also flourished at a time when international negotiations on Iran’s nuclear programme were going on. In 2010, Chinese fighter jets refuelled in Iran, the first foreign military units permitted on Iranian soil since the Islamic Republic was established. Chinese warships paid a visit to the Iranian port of Bandar Abbas in 2014, another first.
- Even when complying with international sanctions, it expanded ties with Iran so that it would be better placed than any other power in a post-sanctions Iran.

(\*China will be comprehensively covered in updated material to be released in Nov’2016)

## 1.10. SAARC

### 1.10.1. 37TH SESSION OF THE SAARC COUNCIL OF MINISTERS

The 37th session of the South Asian Association for Regional Cooperation Council of Ministers was held in **Pokhara of Nepal**. The objective of session was **to review actions taken on the '36-point Kathmandu declaration'** of the 2014 SAARC Summit and **to set the agenda for the forthcoming Summit in Islamabad**.

#### Highlights of the session

- The Council of Ministers endorsed the SAARC Standing Committee’s recommendation that the SAARC Summits be held in every alternate November.
- The SAARC ministers decided to establish the **SAARC Disaster Management Centre in New Delhi**.
- The meeting also presented a good opportunity for high-level interaction among the officials of India, Pakistan and Nepal to discuss major bilateral issues.

### 1.10.2. 7TH SAARC INTERIOR AND HOME MINISTERS' CONFERENCE

Union Home Minister visited to Islamabad to attend the SAARC Home Ministers' meeting. It was first time a high level visit from India went to Islamabad since PM landed in Lahore in December 2015 starting a dialogue process. Dialogue process was disrupted by the January 2 Pathankot airbase attack.

#### Highlights of Visit

- Home Minister said terrorists should not be “**eulogised as martyrs**” under any circumstances, and the “strongest possible” steps should be taken against countries that support terrorism.
- He reiterated India's consistent stand that there **cannot be good or bad terrorists**.
- Home Minister called for implementation of the **SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol**.
  - ✓ The Convention includes ensuring effective measures so that those committing terrorist acts do not escape prosecution and punishment, and are extradited or prosecuted.
  - ✓ The home minister called for immediate ratification of the **SAARC Convention on Mutual Assistance in Criminal Matters**.

#### Motor Vehicles Agreement (MVA)

India, Nepal, Bhutan and Bangladesh signed a landmark **Motor Vehicles Agreement (MVA) for the Regulation of Passenger, Personnel and Cargo Vehicular Traffic among the four South Asian neighbours**.

- The MVA agreement between sub-grouping of 4 SAARC nations (BBIN) will pave the way for a seamless movement of people and goods across their borders for the benefit and integration of the region and its economic development.
- The BBIN framework is seen as a conducive model of sub-regional co-operation in the area of Connectivity, which involves transport as well as energy.
- This would further **need to be supplemented through building and upgrading roads, railways and waterways infrastructure energy Grids, communications and air links** to ensure smooth cross border flow of goods, services, capital, technology and people.

A similar framework has been finalized between India, Myanmar and Thailand. Once it is signed India will get access to the larger ASEAN market through seamless passenger and cargo movement.

### 1.10.3. SAARC FINANCE MINISTERS' CONFERENCE

SAARC Finance Ministers' conference was held in Islamabad. Indian Finance Minister did not attend the event. The SAARC Finance Ministers' conference highlighted key issues pertaining to regional economic integration and reiterated the commitment to establish a **South Asian Economic Union (SAEU)**.

- The proposal to establish a SAEU by 2020 was made way back in 1998.
- South Asia is the fastest growing region in the world, according to the World Bank, with economic growth projected to increase from **7.1 per cent in 2016 to 7.3 per cent in 2017**.
- Deeper economic integration will help sustain this growth rate by creating an integrated South Asian market ensuring a free flow of goods, services and capital.

#### Trade liberalisation

- The South Asian Free Trade Area (SAFTA) has been hailed as an important milestone on the road to SAEU. However, SAFTA has, at best, made a very modest contribution in boosting intra-SAARC trade.
- At the time of its adoption, all South Asian countries decided to place many products in what is known as a '**sensitive list**' to exclude them from tariff liberalisation.
- In 2012, under phase two of tariff liberalisation under SAFTA, countries agreed to prune their sensitive lists. However, this trimming was not significant. For example, while India brought down the number of products in its sensitive list by 95 per cent for least developed countries (LDCs) of South Asia (Nepal, Bhutan, Bangladesh, and Afghanistan), it reduced its sensitive list for non-LDC countries only by around 30 per cent.

- Additionally, intra-SAARC trade also suffers from complex **non-tariff barriers, poor infrastructure, lack of connectivity and bureaucratic red tape at borders**. This cumulatively increases the costs of doing trade in South Asia
- The recently signed Motor Vehicles Agreement between Bhutan, Bangladesh, India and Nepal is expected to improve connectivity but only on the eastern side of South Asia.

### Investment liberalisation

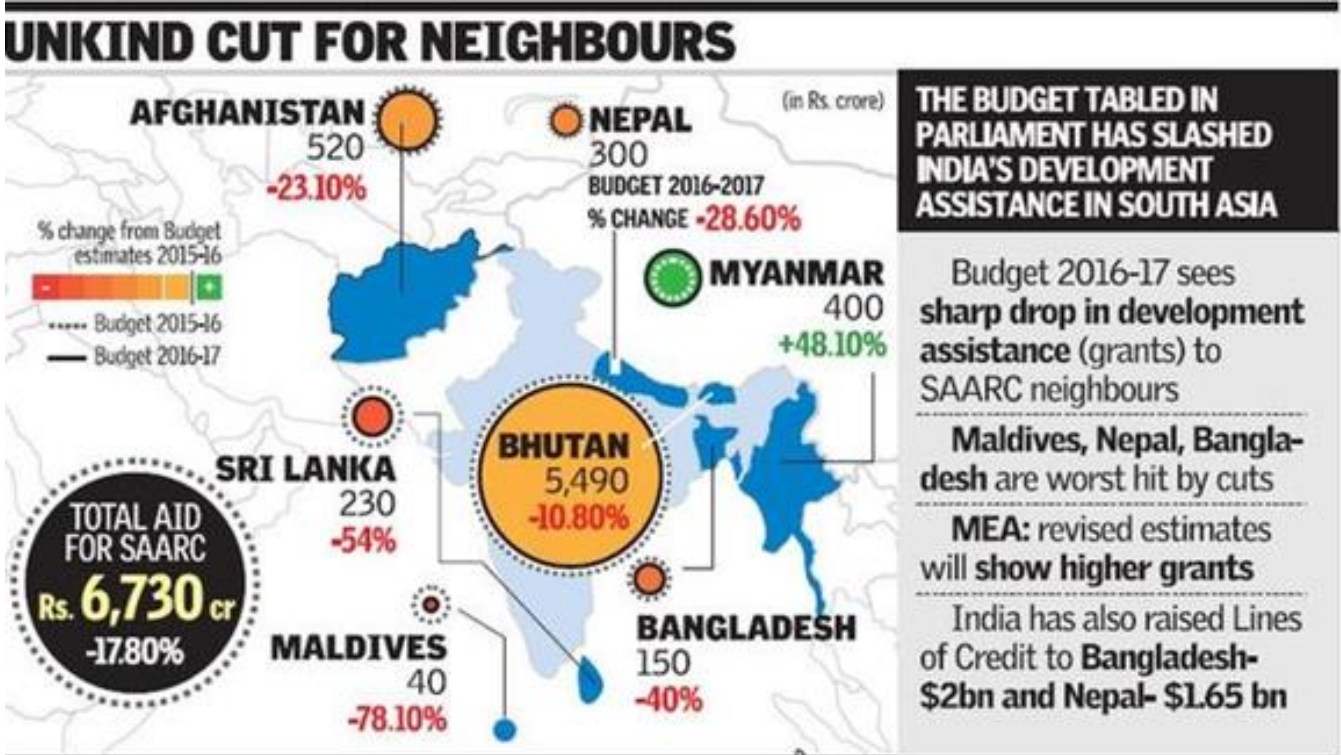
South Asia has failed to emerge as a prime destination for foreign investment.

	SAARC	ASEAN
Foreign investment	\$50 billion in 2015	\$448 billion in 2015
Share in world FDI	2.9 per cent	25 per cent

- A key characteristic of FDI inflows in East and Southeast Asia is the ever-increasing **intra-regional FDI inflows**. Within the Association of Southeast Asian Nations (ASEAN) region alone, intra-ASEAN FDI accounts for 18 per cent of total FDI flows in the region.
- On the other hand, barring few success stories of Indian garment companies investing in Bangladesh, intra-SAARC FDI is very low.
- Arguably, a SAARC investment treaty, on the lines of the ASEAN investment agreement that has helped increase intra-ASEAN investment, will help further intra-SAARC FDI.
- In the just-concluded SAARC Finance Ministers’ meeting, all countries renewed their commitment to finalise the investment treaty, which is pending since 2007.

### 1.10.4. INDIA’S AID DIPLOMACY

The development assistance for all SAARC countries has been significantly reduced in the 2016-17 Budget. Except Pakistan, all other six members of SAARC and Myanmar receive significant financial assistance from India.



## Reasons for drop in assistance

### Afghanistan

- Many projects that were started between 2005-2010 had been completed or were nearing completion and needed less assistance. For example, in Afghanistan, Parliament building; the Salma hydel power project was nearing completion.
- No new big projects had been announced.

### Bhutan

- In Bhutan, hydel projects such as Punatsangchhu I and II or the massive 720 MW Mangdechu were in the preliminary stages of progress.
- Bhutan accounts for over 70% of India's foreign assistance.

### Bangladesh

- In the case of Bangladesh lines of credit at concessional rates had replaced direct development assistance.
- As of this year, India has extended an \$862-million line of credit, while another \$2 billion is in the pipeline

### Maldives and Sri Lanka

- The Budget figures in not final.
- Government is yet to draw up its plans for Maldives and Sri Lanka this year, and so the revised estimates will be more accurate.

### Nepal

- Government has denied that cut in assistance is due to deteriorating relationship with Nepal.

### Myanmar

- Myanmar (not a SAARC nation), saw a major 48% increase in development aid, due to the government's focus on the **Kaladan multi-mode transport corridor project, as well as the 'Trilateral Highway' project.**

### Analysis

- The present government has adopted a different approach which looks at all assistance as part of Development Compact.
- Director General of the MEA-run think tank RIS (Research and Information Systems for Developing Countries) claims that **capacity building, lines of credit, bilateral trade, technology transfers, loans and direct grants** would all be counted together to show India's development aid to its neighbours and other countries.
- Reduction in aid is contrary to the NDA government's "**Neighbourhood First**" policy.
- At this juncture when China is trying to make inroad in south Asia, reduction in aid may have serious repercussions especially because aid is **an effective foreign policy instrument.**
- Government may have to face more criticism from its neighbours over the allocations in the more immediate future, with a cut in aid to SAARC nations between 2015-16 and 2016-17 totalling a whopping 17.8% overall.



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## 2. WEST ASIA

### 2.1. INDIA-WEST ASIA

India's relations with the West Asian countries are historical since the independence. India has interests in economic, political, security and strategic fields with the West Asian nations.

#### India's west Asia policy

For decades, India was a **passive player in West Asia**-a beneficiary of good relationships with multiple actors. Historically, India's West Asia policy has been multi-directional.

- **During the Cold War years**, India maintained close economic cooperation with both **Saudi Arabia and Iran, the rival poles in regional geopolitics**.
- **In the post-Soviet world**: The bi-directional approach has been expanded to a tri-directional foreign policy to accommodate the three key pillars of West Asia — **Saudi Arabia, Iran and Israel**.

#### Importance of west Asia for India

India has huge stakes involved in the region such as energy, trade and safety of Indian community in the region.

- **Energy security**: 70 per cent of India's imported energy needs come from West Asia and this dependence will only increase as the Indian economy continues to grow at 8 per cent or more.
- **Security of Indian community** :
  - ✓ India is the largest recipient of **foreign remittances from west Asia**.
  - ✓ **11 million** Indians working in West Asia. Therefore, stability in the region is high on India's core agenda.
- **To counter radicalization**: close cooperation is essential to counter radicalization in India.
- **Gate way to central Asia** : West Asia is gate way to land locked and energy rich central Asia .
- **Geostrategic importance**: To reduce the influence of china in west Asia and in Arabian Sea. China is continuously making in road to west Asia through OBOR initiative.

#### Challenges in west Asia

- **Political instability**

The security situation in West Asia has been continuously deteriorating ever since the onset of the Arab Spring in December 2010.

- ✓ The internal security situation in Syria, Iraq and Yemen has gone from bad to worse. The regional powers continue to fight proxy wars on sectarian lines, pumping huge amount of money and weapons to bolster their favoured groups.
- ✓ The involvement of extra-regional players such as the USA and Russia in the internal conflicts in West Asia has further aggravated the situation.
- ✓ The GCC-Iran rivalry, Shia-Sunni conflict, external intervention in the region, the fear of rise of religious radicalism etc have further contributed to instability in West Asia .
- **Terrorism**: Terrorism has emerged as the biggest security threat to the region. The rise of the Islamic State in Iraq and Syria (ISIS) is the most disturbing trend.
- **Saudi-Iran rivalry**: destabilizing West Asia and influencing West Asian geopolitics.
- **Pakistan factor** : Pakistan is very close ally of many west Asian countries especially with GCC.
- **Shia- Sunni** divide may impact internal security of India.
- India's close relation **with Israel** is another sore point with west Asia.
- India's close relation with Iran may antagonize Saudi Arabia. India has to balance its ties with all three regional power in west Asia-Iran, Israel and Saudi Arabia.

## India's "Look West" policy

India adopted look west policy in 2005. However, the policy did not get much attention since 2005. Recent visit of Prime Minister Narendra Modi to number of west Asia countries has the potential to transform our engagement with West Asia.

### Change in West Asian strategic thinking

Several factors have contributed to this fundamental shift in West Asian strategic thinking.

- First, the **structural change in the global energy market** with West Asian oil and gas increasingly heading to South and East Asian markets rather than to the Trans-Atlantic markets.
- Second, partly as a consequence of this change in flows and partly owing to the fiscal stress faced by the trans-Atlantic economies, **West Asia is looking to India and other Asian powers to step in and offer security guarantees to the region**. Many GCC states have welcomed defence cooperation agreements with India.
- Third, in the wake of the Arab Spring and the mess in Egypt and Iraq, the **Gulf states find India and China to be more reliable interlocutors** than many western states.
- Fourth, under pressure from radical and extremist political forces within West Asia, most states in the region have come to value the **Indian principle of seeking and securing regional stability** as an over-riding principle of regional security.

### Analysis

- "Look East" Policy succeeded because South-East Asia began to "look West" to India, seeking a balancer to China.
- "Look West" Policy will succeed because West Asia is "looking East" worried about the emerging strategic instability in its own neighbourhood and the structural shift in the global energy market.
- India-West Asia relation is the assertion of not just a "shared" past but of shared challenges in the present and a shared future.

## 2.2. FIRST INDIA ARAB MINISTERIAL CONFERENCE

- The 1st Ministerial Meeting of Arab-India Cooperation Forum was held on 24 January 2016 in the Bahraini capital Manama.
- From Indian side meeting was attended by Minister of External Affairs and Overseas Indian Affairs and foreign ministers of Arab States also participated in this meet.
- In meeting, leaders reviewed the achievements of the **Arab-Indian cooperation** and adopted the **Manama Declaration**.
- The Arab-Indian Co-operation Forum was launched in New Delhi in 2008.

### Key Highlights

#### A. Regional Issues

- **Arab Israel Conflict** - A comprehensive and permanent solution to the Arab-Israeli conflict should be achieved on the basis of UN Security Council resolutions, Madrid Peace conference of 1991 and the 2002 Arab Peace Initiative in Beirut.
- **Syria Issue** – There is need to preserve the unity, sovereignty, territorial integrity and stability of Syria and the importance to reach a political solution to the crisis that preserves the lives of Syrians.
- **Israel – Palestine Conflict**
  - Israel should end its occupation of the Palestinian "Arab" territories it seized in 1967 and dismantle all the settlements.

#### Arab League

- The Arab League is an organization that consists of independent Arab States on the territory of northern and north-eastern part of Africa and southwest Asia.
- Representatives of the first six member states – Egypt, Iraq, Jordan, Lebanon, Syria and Saudi Arabia – that initiated the league's formation signed the agreement in Cairo, in March, 1945.
- Presently, League has 21 members which includes Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Tunisia, United Arab Emirates and Yemen.

- Conference also calls Israel to release all the Palestinian and Arab prisoners and detainees from its jails, halt the aggressions and crimes being committed by the Israeli settlers against the civilian Palestinians.

## B. Global Issues

- **UNSC Reforms** – There is a need for urgent reform of the United Nations Security Council through expansion in both permanent and non-permanent membership to reflect contemporary reality.
- **Terrorism** – They emphasized the need for concerted regional and international efforts to combat terrorism and to develop a strategy to eliminate the sources of terrorism and extremism including its funding, and combating organized cross-border crime.

## 2.3. INDIA-SAUDI ARABIA

Prime Minister Narendra Modi paid first official visit to Saudi Arabia. He is the fourth Indian Prime Minister to visit Saudi Arabia after Dr. Singh in 2010, Indira Gandhi in 1982 and Jawaharlal Nehru in 1956.

- Prime Minister presented a gold-plated replica of the **Cheraman Juma Masjid** to King Salman of Saudi Arabia.
- Prime Minister was conferred the **Arabian country's highest civilian honour** — the King Abdulaziz Sash.

### Significance of visit

Following are the areas in which Prime Minister visit will have significant impact.

- The first is the elevation of ties between the two countries. This involves upgrading three key agreements—the **energy security partnership of 2008**, the **strategic partnership of 2010** (which has included robust anti-terror cooperation), and the **defence partnership of 2014**.
- The second possibility is **improving the trade and investment relationship**. Bilateral trade at about \$40 billion must be built beyond its current oil dependence.
- **Investment opportunities for India:** The Saudi government is pitching its mega project, the King Abdullah Economic City, with a deep-sea port as a connector between the East and the West, and wants India to see it as a gateway to its new forays into Africa.

### Importance of Saudi Arabia

Maintaining vibrant ties with Saudi Arabia is imperative for India's energy security as well as for national security.

- **Saudi Arabia is India's largest supplier of crude oil.**
- India is the largest recipient of **foreign remittances from the kingdom**.
- Of the **11 million** Indians working in West Asia, nearly **three million** are in Saudi Arabia. Therefore, stability in the region, and particularly in Saudi Arabia, is high on India's core agenda.
- In recent years, bilateral ties had acquired a security dimension with both countries stepping up cooperation in **counter-terrorism and intelligence-sharing**.
- Riyadh also extradited several terror suspects to India.
- Saudi Arabia can force Pakistan to abandon its anti-India foreign policy.

### List of Agreements/MOUs signed during the visit of Prime Minister to Saudi Arabia

- **Agreement on Labour Co-operation:** For Recruitment of General Category Workers.
- **Technical Cooperation Program** between the Bureau of Indian Standards (BIS) and the Saudi Standards, Metrology and Quality Organization (SASO).
- Executive Program for Cooperation in the **Field of Handicrafts** between the Export Promotion Council for Handicraft (EPCH) and Saudi Commission for Tourism and National Heritage.
- **MoU between Financial Intelligence Unit** - India and the Financial Intelligence Unit-Saudi Arabia concerning Cooperation in the Exchange of Intelligence related to **Money Laundering, Terrorism Financing and Related Crimes**.
- Framework for Investment Promotion Cooperation between Invest India and the Saudi Arabian General Investment Authority (SAGIA).

## Importance of India for Saudi Arabia

- **Economic Strain:** Due to persistently weak oil prices. Also competition in oil market due to a sanctions-free Iran entering the global economic mainstream. In this context, India is a vital market for Saudi Arabia.
- **Change in US policy:** The US is no longer as dependent on the region for energy as it used to be. Also, US is more accommodative towards Iran to bring peace in west Asia.
- **Friction with Pakistan:** Islamabad renewing its ties with Tehran. Pakistan also refused to join Saudi Arabia's war coalition against the Iran-backed Shia rebels (Houthi) in Yemen.

## Critical Issues with Saudi Arabia

- **Saudi – Pakistan relation:** Pakistan is a “Historic ally” of the Saudis.
- **Saudi-Iran rivalry:** destabilizing West Asia and influencing West Asian geopolitics.
- **Ideological problem:**
  - ✓ While Saudi Arabia denounces all forms of terrorism, Saudi money is **funding Wahhabi Islamic groups** around the world.
  - ✓ Many extremist outfits are inspired by the Wahhabi branch of Islam.
- **Saudi Arabia's aggressive foreign policy in West Asia:** foreign policy is doing great damage to regional stability, which is India's most important goal in the region.
  - ✓ **In Syria**, the Saudi support for the rebels has played a key role in destabilising the regime, leading to the rise of the Islamic State.
  - ✓ **In Yemen**, the war has unleashed chaos and a humanitarian catastrophe, creating conditions for radicalism to flourish.

## India's west Asia policy

- Despite the growing economic ties, political contacts between Saudi Arabia and India were at minimum till the Manmohan Singh government took office in 2004.
- In 2010, India and Saudi Arabia **signed the Riyadh Declaration**, which set the framework for enhanced cooperation in the security, defence and economic spheres. Since then, there has been marked improvement in security cooperation and intelligence sharing.
- Prime Minister **visit to Riyadh** reflects a resolve to deepen India's engagement in West Asia.

## 2.4. INDIA AND IRAN

Prime Minister paid his first official visit to Iran. During the visit, the two sides signed a total of 12 of agreements on economy, trade, transportation, port development, culture, science and academic cooperation.

### Chabahar port agreement

India and Iran signed the “historic” Chabahar port agreement, which has the potential of becoming **India's gateway to Afghanistan, Central Asia and Europe.**

- A contract for the development and operation for 10 years of two terminals and five berths;
- The extension of credit lines of \$500 million for the port and of Rs.3,000 crore for importing steel rails and implementation of the port;
- Memorandums of understanding on provision of services by Indian Railways, including financing to the tune of \$1.6 billion, for the Chabahar-Zahedan railway line — a line that is also part of the trilateral agreement between India, Iran and Afghanistan on a transit and trade corridor.



- India will invest billions of dollars in setting up industries — ranging from aluminium smelter to urea plants- in **Iran’s Chabahar free trade zone** after it signed a pact to operate a strategic port on the Persian Gulf nation’s southern coast

New Delhi and Tehran had agreed in 2003 to develop the port, near the Iran-Pakistan border. But the project did not take off, mainly owing to **international sanctions against Iran** over its nuclear programme, but also on account of **inertia in Delhi**.

#### **Economic significance of Port**

- Once the Chabahar port is developed, Indian ships will get direct access to the Iranian coast; a rail line to the Afghan border town of Zaranj will allow India a route around Pakistan.
- The Zaranj-Delaram road constructed by India in 2009 can give access to Afghanistan’s Garland Highway, setting up road access to four major cities in Afghanistan — Herat, Kandahar, Kabul and Mazar-e-Sharif.
- This will surely boost trade with Iran and Afghanistan.
- Once the Chabahar port is developed, goods from India will not only travel up to Afghanistan, but beyond, along the yet-to-be developed International North-South Transport Corridor (INSTC) to Central Asia.
- The road, rail and port development projects, once implemented, will change the way India, Afghanistan and Iran do business.

#### **Strategic significance**

- Chabahar is situated just 100 km from Pakistan’s Gwadar port, the centrepiece of a \$46 billion economic corridor that China is building.
- The Chabahar port will act as a gateway for India to Central Asia bypassing the China-Pakistan arc.
- India’s presence in Chabahar will offset the Chinese presence in Pakistan port of Gwadar.

#### **The trilateral trade treaty**

- India, Afghanistan and Iran signed the trilateral trade treaty for developing the Chabahar port.
- The signing of the trilateral agreement between India, Iran and Afghanistan has been described as a “game changer”.

A trilateral transport corridor project has the potential to alter the geopolitical map of South and Central Asia.

## **2.5. INDIA-UAE**

Prime Minister made his **first** visit to the Gulf region and West Asia with a trip to the United Arab Emirates (UAE), marking the **first visit by Indian PM to the UAE in more than three decades**. In **2014-2015**, trade between India and the UAE crossed **\$59 billion** with the **balance of trade in favour of India**, making the **UAE one of India’s biggest trading partners**.

India and UAE **elevated the relationship between the two countries to a comprehensive strategic partnership**. **That** is being seen as a **significant elevation of ties** as well as a sign of **India’s shift in the region**.

- Both the countries agreed to “co-ordinate efforts **to fight radicalisation and misuse of religion** by groups and countries for inciting hatred, perpetrating and justifying terrorism or pursuing political aims.” It is seen as a shift in foreign policy where security and terrorism take precedence over diplomacy in driving India’s interests.
- The joint statement was also significant in the way **it indicted Pakistan and state sponsored** terror without naming the country.
- The two countries would also work towards the adoption of **India’s proposed Comprehensive Convention on International Terrorism** in the United Nations.
- In real terms, the strategic relationship will entail regular meeting (at least every six months) between national security advisors of both countries, and improve points of contact between their security agencies to improve operational cooperation.
- The UAE will also support India’s candidature for a **permanent seat** in the United Nation’s Security Council (UNSC).

### Transformational visit

- The Joint Statement between the United Arab Emirates and India is an important articulation of a significant shift in the **Arab world's view of India**.
- It talks of historic ties of **“commerce, culture and kinship”**, drawing attention to the unique history of Arab interaction with Indian communities of the west coast, from Gujarat to Kerala.
- The joint statement, outlining **closer government-to-government (G2G)** relations, draws attention to the **vibrant business-to-business (B2B) and people-to-people (P2P)** relationships and commits the UAE to a sharp increase in its investment in India.
- The new strategic partnership outlined by the UAE and India is not just defined by **India's “Look West” policy** but that it is equally defined by the **GCC's “Look East” policy**.

## 2.6. INDIA-QATAR

Prime Minister Narendra Modi paid his first official visit to gas-rich Qatar. During the visit following seven agreements were signed.

- MoU between National Investment and Infrastructure Fund (NIIF) and Qatar Investment Authority (QIA). The MoU aims at establishing framework for facilitating participation of Qatari institutional investors in Infrastructure projects in India under NIIF
- Agreement on Cooperation and **Mutual Assistance in Customs Matters**.
- MoU between Financial Intelligence Unit - India (FIU-IND) and the Qatar Financial Information Unit (QFIU) concerning cooperation in the exchange of intelligence related to **money laundering, terrorism-financing and related crimes**.
- MoU for Cooperation in **Skill Development and Recognition of Qualifications**.
- MoU on cooperation in **Tourism**.
- The First Executive Programme for MoU in the **field of Youth and Sports**.
- MOU for Cooperation in the field **of Health**.

### Importance of Qatar

- Qatar is an important trading partner for India in the Gulf region with bilateral trade in 2014-15 standing at \$15.67 billion of which India's exports accounted for nearly \$1 billion.
- It is also one of India's key sources of crude oil.
- India is the third largest export destination for Qatar after Japan and South Korea, with LNG being the major item of trade.
- Indians comprise the single largest group of migrants in Qatar.
- The Prime Minister has been focusing on improving ties with the **Gulf region** which is crucial for **India's energy security**. He has already visited United Arab Emirates and Saudi Arabia. Qatar is member of Gulf cooperation council (GCC).

## 3. CENTRAL ASIA

### 3.1. INDIA-CENTRAL ASIA

India and the region of Central Asia have very long historical, cultural and economic connections. The famous Silk Route not only connected the people and businesses, but also let the thoughts, culture and beliefs flow freely from one region to the other.

- The Central Asian republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan became independent in the 1990s.
- In 2012, India announced the '**Connect Central Asia**' policy, and also announced to hold an India-Central Asia Dialogue at Track II annually in one of the republics.
- At present the five Central Asian republics account for trade of only about \$1.6 billion with India, compared to about \$50 billion with China that has made them a key to its Silk Road Economic Belt (SREB) initiative.
- India has four major interests in Central Asia: security, energy, trade and mutual cooperation in various realms.

#### Importance of central Asia

- **Energy security**
  - ✓ The countries of Central Asia are endowed with significant hydrocarbon and mineral resources and are close to India geographically.
  - ✓ Kazakhstan is the largest producer of uranium and has huge gas and oil reserves as well.
  - ✓ Uzbekistan is also rich in gas, and is an important regional producer of gold along with Kyrgyzstan.
  - ✓ Tajikistan has vast hydropower potential besides oil deposits, and Turkmenistan has the fourth largest gas reserves of the world.
- **Strategic Location**
  - ✓ Geographically, the strategic location of these countries makes them a bridge between different regions of Asia and between Europe and Asia.
- **Trade and Investment potential**
  - ✓ The economic development of Central Asia, especially in Kazakhstan, Turkmenistan and Uzbekistan, has sparked a construction boom and development of sectors like IT, pharmaceuticals and tourism.
  - ✓ India has expertise in these sectors and deeper cooperation will give a fresh impetus to trade relations with these countries.
  - ✓ There is a great demand for Indian pharmaceutical products in the region.
- **Security:** To tackle the challenge of terrorism, narcotics trafficking and arms smuggling.
- **To counter terrorism and radicalization:** keeping a check on the rise of radical Islamist groups that may pose a threat to India's security.
- Religious extremism, fundamentalism and terrorism continue to pose challenges to Central Asian societies as well as regional stability.
- The Fergana Valley remains a hot spot of fundamentalism. Central Asian republics face serious threat from illegal drug trade emanating from Afghanistan. Instability in Central Asia can spill over into India .
- **Stabilization of Afghanistan:** Central Asian nations and India can play effectively role in bringing normalcy in Afghanistan.
- Two of these countries — Kazakhstan and Turkmenistan — are in the Caspian littoral, thereby promising to open the door to other energy-rich Caspian states.
- **Regional cooperation:** Four central Asian Nations are part of SCO.

#### Latest development to connect central Asia

- **Ashgabat Agreement**

The Union Cabinet has given its approval for India to accede to the Ashgabat Agreement, an international transport and transit corridor facilitating transportation of goods between Central Asia and the Persian Gulf.

- **SCO membership:** India is set to become full member of SCO.
- India signed agreement to Develop **Chabahar port in Iran.**
- **International North-South Transport Corridor (INSTC):** the ship, rail, and road route for moving freight between **India, Russia, Iran, Europe and Central Asia.**



## Challenges

- **Land locked region:** Central Asian region is land locked. It has hampered India's relation with central Asia. Poor connectivity has also contributed to the below-par trade between India and Central Asia.
- The key constraint India faces is the lack of direct access to Central Asia.
- The unstable situation in Afghanistan and a highly problematic India-Pakistan relation have deprived India from the benefit of relations with Central Asia.
- **Chinese presence:** central Asia is part of Silk Road Economic Belt (SREB) initiative.

## 3.2. PRIME MINISTER'S CENTRAL ASIA VISIT

PM visited the 5 Central Asian States — Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan.

### India and Kyrgyzstan

- India and Kyrgyzstan signed four agreements including one to boost defence cooperation and hold annual joint military exercises.
- A joint exercise between India and Kyrgyzstan **Khanjar** 2015 has just been completed.

List of agreement signed during the Prime minister visit

1.	Agreement on Defence Cooperation
2.	Memorandum of Mutual Understanding and Cooperation in the field of Elections
3.	MoU between Ministry of Economy of Kyrgyzstan and Bureau of Indian Standards (BIS) on cooperation in the sphere of Standards.
4.	Agreement on Cooperation in Culture

### India and Uzbekistan

On his first visit to Central Asian countries, Prime Minister held talks with Uzbekistan President Islam Karimov on key bilateral and regional issues including the situation in Afghanistan as the two countries inked three pacts to boost cooperation between their foreign offices and in the field of culture and tourism.

The two leaders also discussed ways to implement the contract for supply of uranium from mineral-rich Uzbekistan signed in 2014 .The pact was signed for supply of 2,000 metric tonnes of the yellow cake.

List of agreement signed during the Prime minister visit:

1.	Intergovernmental Agreement on cooperation in the field of tourism.
2.	Protocol on Cooperation between the Ministry of Foreign Affairs, Republic of Uzbekistan, and Ministry of External Affairs, Republic of India.
3.	Intergovernmental Programme of Cultural Cooperation for 2015-17

### India and Kazakhstan

- India and Kazakhstan focused on boosting trade, energy, defence and security cooperation as Prime Minister held talks with Kazakh President Nursultan Nazarbayev in Astana.
- Kazakhstan, a leading uranium producer globally, will supply 5,000 tonnes of uranium to India during 2015-19.
- Both leaders welcomed the establishment of a Joint Study Group between India and the Eurasian Economic Union on the feasibility of a Free Trade Agreement (FTA), which would boost trade.

List of agreement signed during the Prime minister visit:

- Agreement on Transfer of Sentenced Persons
- Agreement on Defence and Military – Technical Cooperation between Republic of India and Republic of Kazakhstan.

- Memorandum of Understanding between Ministry of Youth Affairs and Sports of Republic of India and Ministry of Culture and Sports of Republic of Kazakhstan on Cooperation on Physical Cultural and Sports.
- Memorandum of Understanding between Ministry of Railways of Republic of India and the Kazakhstan Temir Zholy of Republic of Kazakhstan on Technical Cooperation in the field of Railways
- Long term contract between Department of Atomic Energy of Republic of India and JSC National atomic company "KazAtomProm" for sale and purchase of natural uranium concentrates.

### **India and Turkmenistan**

- Prime Minister pitched for early implementation of the \$ 10 billion TAPI gas pipeline project during his talks with Turkmenistan President Gurbanguly Berdymukhammedov as both countries inked seven pacts to ramp up engagement in key areas, including defence.

List of agreement signed during the Prime minister visit:

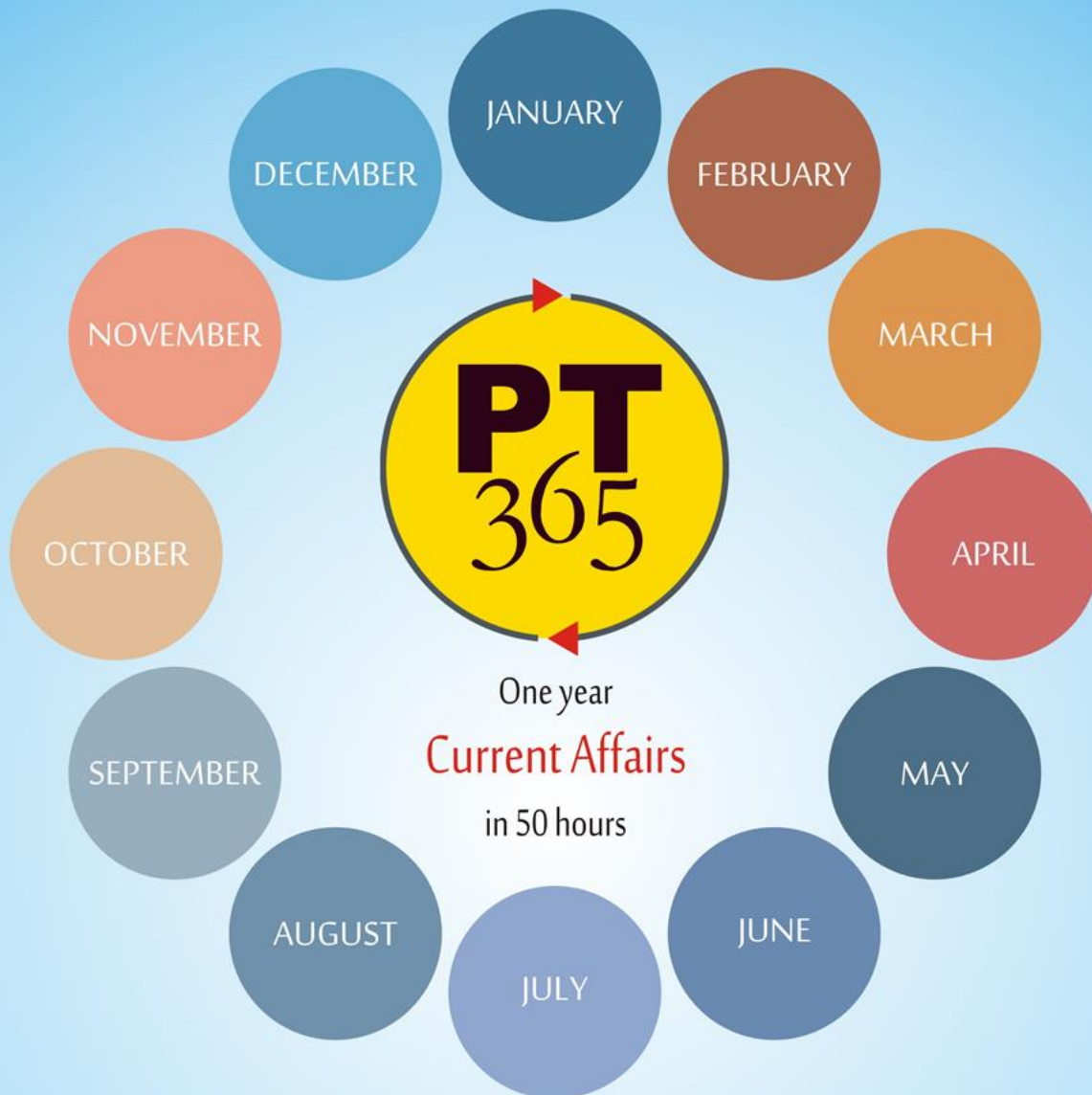
- Memorandum of Understanding on supply of Chemical Products between the Indian Public Sector Undertaking 'Rashtriya Chemicals and Fertilizers Limited' and the Turkmen State concern 'Turkmenhimiya.'
- Memorandum of Understanding between the Foreign Service Institute of the Ministry of External Affairs of the Republic of India and the Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan.
- Agreement between the Ministry of Youth Affairs and sports of the Republic Of India and the State Committee for sport of Turkmenistan on Cooperation in the field Of sports.
- Programme of Cooperation in Science and Technology between the Government of the Republic of India and the Government of Turkmenistan for the Period of 2015-2017.
- Memorandum of Understanding between the Government of the Republic of India and the Government of Turkmenistan on Cooperation in Yoga and Traditional Medicine.
- Memorandum of Understanding between the Government of the Republic of India and the Government of Turkmenistan on Cooperation in the field of Tourism.
- Agreement between the Government of the Republic of India and the Government of the Republic of Turkmenistan on Cooperation in the field of Defence.

### **India and Tajikistan**

India and Tajikistan pledged to intensify cooperation against terrorism, with Prime Minister noting that the two countries are located in the "proximity of the main source" of the menace, an apparent reference to Pakistan and Afghanistan.

List of agreement signed during the Prime minister visit:

- Programme of Cooperation (POC) between Ministries of Culture of India and Tajikistan in the field of Culture for the years 2016-18.
- Exchange of Note Verbale (NV) on setting up of Computer Labs in 37 Schools in Tajikistan.



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## 4. AFRICA

### 4.1. INDIA- AFRICA

India is becoming an increasingly important economic partner for African countries. Its ties with Africa can be traced to a strong, shared history based on the principles of South–South cooperation, people-to-people linkages and common development challenges.

In fact, the centuries-old ties between India and Africa, especially with countries in eastern and southern Africa, were firmed up due to India's consistent support to anti-colonial and anti-racist liberation and apartheid struggles in South Africa. Once the political battles for liberation in Africa were formally won, economic factors began to dominate India-Africa ties.

#### Importance of Africa

India has significant political, strategic, economic and maritime stakes in engaging with Africa.

- **Resource rich region**
  - ✓ Africa is very resource-rich, and has moved from being an underdeveloped continent to having several fast-growing economies, and new democracies.
- **Reform in global institutions**
  - ✓ India's ambition to become a permanent member of the UN Security Council makes it imperative that it engages with all 54 countries of the continent.
- **Investment opportunities for private sector**
  - ✓ A number of Indian multinationals already have significant interests and investments in the region, with strategic sectors including agribusiness, pharmaceuticals, information and communications technology (ICT), and energy.
  - ✓ Africa has emerged as an important market for Indian goods and services, as well as a vital element in India's quest for strategic minerals and other natural resources needed to feed its burgeoning economy.
  - ✓ India can also unleash massive possibilities in digital penetration in the continent.
- **Convergence of interest**
  - ✓ Two partners are aligned on the outstanding issues at the **World Trade Organisation (WTO)** and are in favour of multilateral trading systems. At the Bali Ministerial in 2013 too, Africa and India had united in seeking an interim mechanism for safeguarding minimum support prices to farmers against WTO caps till a permanent solution is found and adopted.
  - ✓ **Cooperation to tackle terrorism:** India strongly advocated stepped-up cooperation through intelligence exchange and training with 54 African countries.
  - ✓ **Cooperation on climate change** between India and Africa, both who had "contributed the least to global warming,".
  - ✓ There's a convergence of interest for **reforming the Security Council**. It is imperative for both sides to speak in "one voice" for Security Council reforms.
  - ✓ **Peace keeping operation:** India is the largest contributor to UN-mandated peacekeeping and other operations in Africa, with more than 30,000 personnel involved in 17 of 22 total missions in the region since 1960.
  - ✓ India provides a **useful model for democratic development**. Indeed, the world's largest democracy is increasingly responding to requests from African governments to share its democratic experience, offering training on electronic voting systems, parliamentary procedures, federal governance, and an independent judicial system to strengthen the rule of law.
- **Shared challenges in 21st century**
  - ✓ Among the most significant challenges that India and Africa will face in particular, are reforms in global governance institutions, maritime security threats in the Indian Ocean, energy insecurity and the rise of extremism and terrorism.

#### Relation between India and Africa

- **Economic:** Africa is an important trade partner for India. India-Africa trade was worth almost \$70 billion in 2014-15, and Indian companies invested some \$30-35 billion in the continent over the past decade.
- **People to people contact:** There has been a welcome surge in people-to-people contacts as large numbers of African entrepreneurs, medical tourists, trainees and students have started coming to India and Indian experts and entrepreneurs have headed there.
- **Business-to-business** links between India and several African nations have become increasingly important and are driving the government-to-government relationship.
- Indian generic drugs, due to their relatively cheap prices, are used heavily to fight HIV/ Aids in Africa.
- **Indian foreign aid to Africa**
  - ✓ In 2006, India launched its flagship aid initiative in Africa by constructing the \$125 million Pan-African e-Network, the continent's largest tele-education and telemedicine initiative. The network links 47 African countries with schools and hospitals in India through satellite and fiber-optic links.
  - ✓ Among the most important technical assistance programmes are the Indian Technical and Economic Cooperation (ITEC) Programme and the Special Commonwealth African Assistance Programme for Africa (SCAAP). Under ITEC and SCAAP, some 1,000 African experts are given short-term training in India every year in a number of technical fields — from public administration to agricultural research and computer literacy.
  - ✓ India has offered a new line of credit worth \$10 billion to strengthen economic cooperation.
  - ✓ Besides, India will offer grant assistance worth \$600 million, which will include \$100mn for the India-Africa development fund and \$10mn for an India-Africa health fund. India has also announced 50,000 scholarships to African students to pursue their studies in India.

#### India's challenges in Africa

- **Political instability:** Political instability in number of African Nation may impact India's long term investment opportunities.
- **Terrorism in Africa:** There has been an extraordinary increase in terrorist attacks by Islamic extremists connected to al-Qaida and ISIS across Africa over the recent years.
- **Africans in India:** India will have to make efforts to make African nationals feel welcome. In recent months, there has been a spate of assaults on Africans based in India. These assaults generate a negative image of India in Africa and may impact on century-old ties with the continent.
- **China strong presence in the continent:**
  - ✓ India and China are competing with each other to build a stronger relationship with Africa.
  - ✓ Even though India is emerging as a major trading nation with growing investments, it has to contend with other formidable rivals, such as China, Japan and South Korea, in Africa under globalisation. However, deceleration in the Chinese economy may open up a window of opportunity for India to make further inroads in Africa.

	China	India
Trade	\$200 billion	\$70 billion
Investment	\$180 billion in Sub-Saharan Africa alone	\$30-35 billion

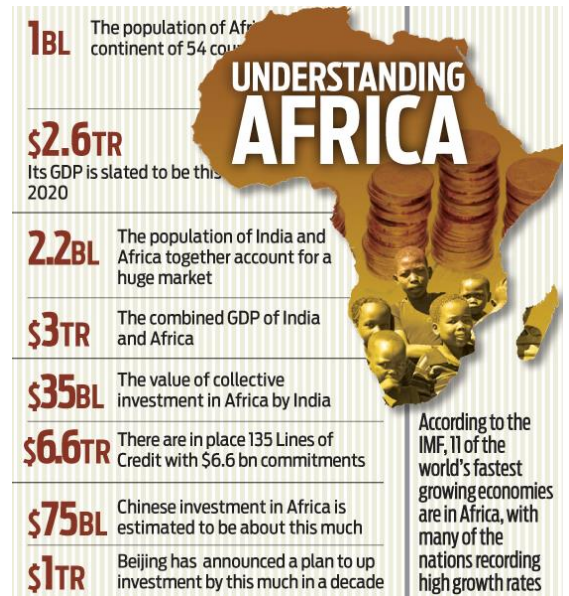
## 4.2. CHINA VS. INDIA IN AFRICA

- African continent is increasingly becoming the next theatre of global attraction and competition because of natural resources, demography and socio-economic development.
- To harness the opportunity various countries including China have made huge investments in the continent.
- This growing **Sino-Indian involvement** has been economically beneficial and has resulted in widespread investment and development, with African leaders welcoming the competition.
- An increasing competition between India and China for new markets, agricultural land and access to natural resources.
- While China's aggressive economic approach has caused it to achieve more influence in Africa than any other country, its dominance is slowly being impeded by India's growing involvement in the region.

- India has focused on emphasizing its cultural and historical ties to enhance the development of its trade relations with resource-rich countries like Zimbabwe, Ethiopia and Sudan.
- The success of India's soft power strategy has been evident in countries like **Sudan**, where Indian corporations have attained near complete control of the local oil and natural gas industry.
- The same trend is occurring in **Zimbabwe** where China's dominance in the energy and resource sectors is being challenged by private and state-owned Indian enterprises.
- The US\$ 4 billion takeover of **Zimbabwean steelmaker Zicosteel**, by **India's Essar Group**, was hailed by the Zimbabwean Government as the largest foreign direct investment deal in Zimbabwe in recent decades.
- The African nations are increasingly realizing that though Chinese investments are attractive, there are certain issues like:

- Chinese companies instead of employing locals use Chinese workers.
- It is also seen that these companies don't pay much attention to environment protection.
- Chinese loans come with strict conditions that only Chinese technology will be utilized.
  - These concerns have mainly been raised by civil society; however, many governments have also started looking beyond China.

India needs to harness this opportunity. India already enjoys the good will of African people due to historical ties and Indian company's practices of employing local workers and skilling them.



### 4.3. 3RD INDIA-AFRICA FORUM SUMMIT

The 3rd India-Africa Forum Summit took place in New Delhi. 41 heads of state and government from 54 countries in Africa were present at Summit. The summit was the largest gathering of foreign dignitaries in New Delhi since the 1983 Non-Aligned Summit.

#### Background

- India had strong political ties with the continent in the first three decades after Independence. Relationship was mainly based on the shared struggle against imperialism, colonialism, racial discrimination and apartheid.
- But India lost some momentum in building a stronger partnership with African countries since the 1990s as the country recalibrated its foreign and economic policies. The idea of the India-Africa summit was first mooted to arrest this slide and reboot the relationship.
- The two previous India-Africa summits were held in 2008 and 2011, in New Delhi and Addis Ababa respectively.

#### Conclusion

- The India-Africa Forum Summit (IAFS) process has shown the promise of Indo-African partnership. Indeed, the current global economic stagnation only enhances the relevance of a mutual interface between the world's fastest growing continent and the world's fastest growing major economy.
- The IAFS process has given a fillip to cultural and informational contacts and mutual awareness.
- We should harness our assets in Africa, such as the **Indian diaspora there**; a growing acceptance of the quality of our healthcare and educational facilities; relevance of our developmental model; and the greater willingness of our private sector to engage the continent.
- The goodwill India enjoys in the continent is a result of the principled anti-colonial positions the country took in the post-Independence era. India should cash in on that goodwill to build a stronger economic and political partnership with Africa in the new century.

- India may not have the resources to beat the level of Chinese investments, but it can certainly do a lot more with proper policy approaches, faster project execution and improved bilateral relations.
- Taking cognisance of the fact that two-thirds of the population in India and Africa are going to be below 35 years of age, India has a great opportunity to reinvent its association with Africa, provided it is sensitive to intra- and inter-state politics in the region.

#### 4.4. PRESIDENT'S VISIT TO AFRICAN NATIONS

President paid historic visit to 3 African nations- Ghana, Cote d'Ivoire (Ivory Coast) and Namibia.

##### India-Ivory Coast

It was the first visit of an Indian president since the establishment of diplomatic relations between the two countries in 1960. India had established its Embassy in Abidjan in 1979, while Cote d'Ivoire (also called as Ivory Coast) opened its Resident Mission here in September 2004.

##### Highlights of visit

- President Pranab Mukherjee has been accorded the **highest honour of Cote D'Ivoire (Grand Cross National Order)**.
- India and Cote D Ivoire have inked an agreement to re-establish the headquarters of the **Exim Bank in Abidjan**.
- **Trade:** India and Cote d'Ivoire bilateral trade grew from \$344.99 million in 2010-11 to \$841.85 million in 2014-15.
- Cote D'Ivoire, the **world's largest producer of cocoa**, sought investment from India's private sector, particularly in processing the main ingredient in chocolates.
- Ivory Coast is also the biggest producer and exporter of **cashew nuts** to India which procures nearly 80 per cent of its total exports of cashew nuts.
- India, with in the rubric of South-South Cooperation, has extended lines of credit amounting to USD 156.3 million to the Government of Cote d'Ivoire for developmental projects in diverse fields such as public transportation, rural electrification, rice self-sufficiency, cashew nut processing, vegetable oil processing, coconut fibre processing, fisheries processing etc. and Mahatma Gandhi IT and Bio-technology Park.

##### India-Ghana

It was first ever visit of Indian President to the Ghana. India and Ghana signed three bilateral agreements to strengthen co-operation in varied fields.

##### Following are list of agreements/MoUs

- Agreement on exemption from visa requirement for holders of diplomatic and official passports.
- Memorandum of understanding on the establishment of a joint commission.
  - ✓ The commission will periodically review various aspects of the multi-dimensional ties between the two countries.
- Memorandum of understanding between the Foreign Service Institute( India) and Ministry of Foreign Affairs and Regional Integration( Ghana).

##### Nuclear cooperation

Ghana has sought India's civil nuclear cooperation to explore the possibilities of reducing its dependence on traditional energy sources to cut costs and focus on cleaner environment.

##### Trade relation

- India's cumulative investments in Ghana hover around \$1 billion, whereas bilateral trade is worth \$3 billion in 2015-16.
- Ghana's main trade consists of gold imports; it's nearly 80 per cent of total trade.

- India is the largest foreign investor in Ghana, with more than 700 projects. More than 222 of these projects are in the manufacturing sector.
- India intends to expand its bilateral trade with Ghana from \$3 billion to \$5 billion in the next three years.

#### Cooperation in other field

- India would establish a Chair on Indian Studies in the University of Ghana, Accra. It will be funded by the Indian Council for Cultural Relations (ICCR).
- India is supporting many major socio-economic projects such as Komenda Sugar Plant and Elmina Fish Processing Plant by way of grants and Lines of credit.
- India has also approved a Line of Credit for setting up a Foreign Policy Training Institute.

#### India- Namibia

During president visit following MoUs have been signed.

- MoU on Establishment of a Centre of Excellence in Information Technology (CEIT).
- MoU concerning technical cooperation in the area of capacity building of public officials.

#### Nuclear cooperation

- Namibia signed an agreement with India in 2009 for uranium supply. However, as a member of the **African Nuclear Weapon-Free Zone Treaty (ANWFZT)**, it is barred from trading in uranium with India, which is **not a signatory of Nuclear Non-Proliferation Treaty (NPT)**.
- Namibia is the fourth largest producer of uranium.
- Namibia asked New Delhi to come up with similar agreements with other countries to help it convince the ANWFZT members.

#### African Nuclear Weapon-Free Zone Treaty (ANWFZT)

- The ANWFZT, also known as the **Treaty of Pelindaba**, is named after South Africa's main Nuclear Research Centre. It was the location where South Africa's atomic bombs of the 1970s were developed, constructed and subsequently stored.
- The Pelindaba Treaty signed in 1996 **aims at preventing nuclear proliferation and preventing** strategic minerals of Africa from being exported freely.

#### Importance of Namibia

- Namibia is member of **Southern African Customs Union (SACU)**. The SACU consists of Botswana, Lesotho, Namibia, South Africa, and Swaziland.
- The strength of Namibian economy is mineral with mining sector which contributes around 11 per cent to the GDP.
- India will offer assistance to Namibia in setting up Mining Engineering trading set up.

#### Analysis of visit

- President visit to African Nations highlights India's commitment continued in the form of **South-South Cooperation** through developmental assistance and sharing resources for the development of nations in Africa.
- After hosting the third **India Africa Forum Summit (IAFS)** in New Delhi in October 2015, India is working on a plan to consolidate and further strengthen its engagement with Africa.
- **India's outreach to Africa**, mostly in the form of development assistance, comes amid China's fast inroads in building infrastructure and investments in the vast mineral-rich continent.
- African continent is going to be one of the fastest growing economies in the world.
- African continent is endowed with natural resources; India is trying to tap vast resources to fuel its economy.



## 4.5. VICE PRESIDENT'S VISIT TO NORTH AFRICAN NATIONS

Vice President paid official visit to the North African nations of Morocco and Tunisia. This was the first visit by an Indian Vice-President in 50 years to the two nations.

### India-Morocco

India and Morocco signed two agreements on culture and diplomacy

- The cultural exchange program aims to reinforce cooperation in the field of music, art and archives, cultural heritage, cultural activities through the exchange of expertise and information in the related fields.
- Under the memorandum, the two parties agree to exchange information on training programs for diplomats, experts and researchers, strengthen communication and exchange of expert visits and exchange publications and useful information.

### Trade relations

- The India-Morocco Chamber of Commerce and Industry (IMCCI) was launched by Vice President and Moroccan Prime Minister.
- Bilateral trade between the two countries stood at \$ 1.26 billion in 2015 with Indian exports forming roughly 25 per cent of the trade volume.

### India-Tunisia

#### Highlights of visit

- In an effort to increase mutual cooperation, India and Tunisia signed two MoUs on promotion of handicrafts and IT and communication and digital economy
- India will train 350 Tunisian students in next five years and the two sides will promote each other's traditional handicraft as per the agreements.
- The trade between the two countries last year was a little over 340 million US dollars. India accounts for around 50 per cent of Tunisia's global phosphoric acid exports.
- Ansari said he also appreciated Tunisia's support for India's bid for a place in an expanded UN Security Council.

Tunisia's is the '**cradle of Arab Spring**', the string of popular uprisings that swept the Arab world in 2011. The Jasmine Revolution in Tunisia was the trigger for Arab uprisings.

## 4.6. PRIME MINISTER'S VISIT TO AFRICAN NATIONS

Prime Minister paid visit to four African nations- Mozambique, South Africa, Tanzania and Kenya. The focus of the African tour was on deepening cooperation in areas of **hydrocarbons, maritime security, trade and investment, agriculture and food**.

### India- Mozambique

During the visit both countries signed following agreements.

- MoU on drug demand reduction and prevention of illicit trafficking in narcotic drugs, psychotropic substances and precursor chemicals and related matters.
- MoU in the field of Youth Affairs and Sports.
- Long-term agreement for purchase of **pulses from Mozambique**.
  - ✓ India will buy pulses from this African nation to meet its recurring shortfall and contain prices of this commodity.

### Other areas of cooperation

#### Energy

- PM visit to Mozambique is significant as the country is home to a bulk of India's Africa-bound investment.
- Energy dialogue between two sides has been steadily growing since the India Africa Forum Summit.

## Security and Defence

- India will also help build capacities of Mozambique's security forces.
- India and Mozambique agreed to cooperate to meet "strategic and security challenges" emerging in mainland Africa and the Indian Ocean region.

## India- South Africa

India and South Africa agreed to deepen engagement in key areas of defence production, manufacturing, mining and minerals while vowing to cooperate "actively" in combating terrorism and dealing with issues at multilateral fora.

During the visit, the following Agreements and Memoranda of Understanding were signed by the two sides:

- Memorandum of Understanding on ICT.
- Memorandum of Understanding on the Establishment of Grassroots Innovation in the area of Science and Technology.
- Memorandum of Understanding on Tourism; and
- Programme of Cultural Cooperation

## Highlights of visit

- **Push for Make in India:** PM invited defence businesses to set up a manufacturing base in India, which could service the domestic requirements of India and South Africa as well as for export to third countries.
- PM undertook a train journey to **Pietermaritzburg station** in memory of the 1893 incident in which Mahatma Gandhi was thrown out of a train compartment on account of his skin colour.

MODI'S AFRICA PUSH			
Highlights of Modi-Zuma talks and MoUs signed between India and South Africa			
<b>TALKS</b>		<b>MoUs</b>	
• PM thanks South Africa for NSG support	PM Modi inspecting the guard of honour in Pretoria, South Africa	• Information and Communication Technology	
• Discussions on UN Security Council reform, BRICS summit, IBSA, IORA conferences		• Tourism	
• Coordination on defence production and maritime security		• Grassroots Innovation in Science and Technology	
• Joint Commission to focus on agriculture, mining, renewable energy technology	• SA to invest in India's defence, financial and pharmaceutical sectors	• Cooperation in Arts and Culture	
		• Adoption of India-sponsored Convention on International Terrorism at UN	

## Importance of South Africa

- Indian diaspora: South Africa is home of 1.2 million people of Indian origin.
- South Africa is member of NSG. Its cooperation is essential for India entry in NSG
- Both countries are member of major grouping (international forum) G-20, BRICS, ISBA and IORA.
- Both countries are actively pursuing UN Security Council reform.

## India-Tanzania

India and Tanzania agreed to work closely, bilaterally, regionally and globally to combat the twin threats of **terrorism and climate change**.

List of MOUs/Agreements signed during the visit of Prime Minister:

- MoU on Cooperation in the field of water resource management and development between the two countries.
- MoU on Visa waiver agreement for Diplomatic/Official passport holders between the two countries.
- Agreement on Joint Action Plan (JAP) between National Small Industries Corporation of India (NSIC) and Small Industries Development Organization Tanzania (SIDO).
- MoU between the Government of Tanzania and the Government of India for Establishment of Vocational Training Centre at Zanzibar.
- Line of Credit of US \$92 million for rehabilitation and improvement of water supply system in Zanzibar.

## 'Solar Mamas'

'Solar Mamas', a group of rural women solar engineers from Africa who have been trained under Government of India-supported programmes to fabricate, install, use, repair and maintain solar lanterns and household solar lighting systems in their villages.

## India-Kenya

India and Kenya decided to deepen and expand cooperation in a wide range of areas as they signed seven pacts, including in the field of defence and security and avoidance of double taxation.

Following are the list of agreements:

- Revised Double Taxation Avoidance Agreement (DTAA).
- Bilateral agreement on exemption of Visa for holders of Diplomatic passports.
- MoU on Defence Cooperation: it will entail staff exchanges, expertise sharing, training, cooperation in hydrography and equipment supply.
- MoU on Cooperation in the field of standardisation, expertise sharing and mutual trade between Bureau of Indian Standards and Bureau of Kenya Standard.
- MoU on Cooperation in the field of National Housing Policy Development and Management.
- **Line of Credit Agreement for US \$15 million** (first tranche of US \$30 million) to IDB Capital Limited, Kenya, for development of various small and medium enterprises [SMEs] in Kenya.
- **Line of Credit Agreement for US \$29.95 million** to the Government of Kenya for upgrade of Rift Valley Textiles Factory [RIVATEX East Africa Limited], Kenya.

## 5. INDIAN OCEAN REGION

### 5.1. INDIA-INDIAN OCEAN REGION (IOR)

The Indian Ocean covers at least one fifth of the world's total ocean area and is bounded by Africa and the Arabian Peninsula (known as the western Indian Ocean), India's coastal waters (the central Indian Ocean), and the Bay of Bengal near Myanmar and Indonesia (the eastern Indian Ocean).

- It provides critical sea trade routes that connect the Middle East, Africa, and South Asia with the broader Asian continent to the east and Europe to the west.
- A number of the world's most important strategic chokepoints, including the Straits of Hormuz and Malacca.

#### Challenges in IOR

- Despite a decline in piracy off the coast of Somalia, the Indian Ocean has been witnessing a sudden rise in non-traditional challenges.
- Maritime crime has been increasing, with a record number of drug hauls in the Asian littoral in the last two years (a recent seizure of more than 150 kg of heroin from a smuggling vessel by an Australian warship off the east coast of Africa, serving as the latest reminder of the severity of the drug threat in the IOR).
- Migration and human trafficking in South and Southeast Asia too has registered a surge in numbers. Last year, a rise in refugee movement from Bangladesh and Myanmar, resulted in a humanitarian crisis of unprecedented proportions.

#### Role of India

- The Indian Navy played a pivotal role in containing piracy on the high seas and is positioning itself as the “net security provider” in the broader Indian Ocean region with capacity building, joint exercises and increased multilateral exchanges.
- India has been reaching out to the smaller Indian Ocean island nations through **various Maritime Domain Awareness (MDA) exercises**.
- Domain Awareness (MDA) exercises includes :
  - ✓ **Search and Rescue (SAR) support.**
  - ✓ **Oil pollution response exercises.**
  - ✓ **Assistance in legal matters.**
- Indian navy has supported countries in Indian Ocean region (IOR) such as Sri Lanka, Mauritius, Maldives and Seychelles with training, hydrographic surveys, surveillance operations and counter-terror patrols.
- India and China are locked in efforts to widen their respective spheres of influence in the strategically vital Indian Ocean.
- Given that the Indian Ocean channels carry two-thirds of the world's oil shipments, a third of the bulk cargo and half of all container traffic, the region's strategic significance is unquestionable. Also to counter china's presence in Indian Ocean require strategic relation with our extended neighbourhood.

### 5.2. PRIME MINISTER VISIT OF INDIA OCEAN COUNTRIES

PM visited Indian Ocean countries to enhance economic and security cooperation. This highlights the renewed focus by India to take lead role in the region. China has in recent times made significant investment in infrastructure projects in these nations causing concern.

- India's role as the "net security provider" in the Indian Ocean region received a major boost when Prime Minister Narendra Modi visited three India Ocean nations of Seychelles, Mauritius and Sri Lanka.
- India invited Seychelles and Mauritius to join the existing maritime security cooperation arrangement among India, the Maldives and Sri Lanka.
- India seeks a future for Indian Ocean that lives up to the name of '**SAGAR - Security and Growth for All in the Region**'.

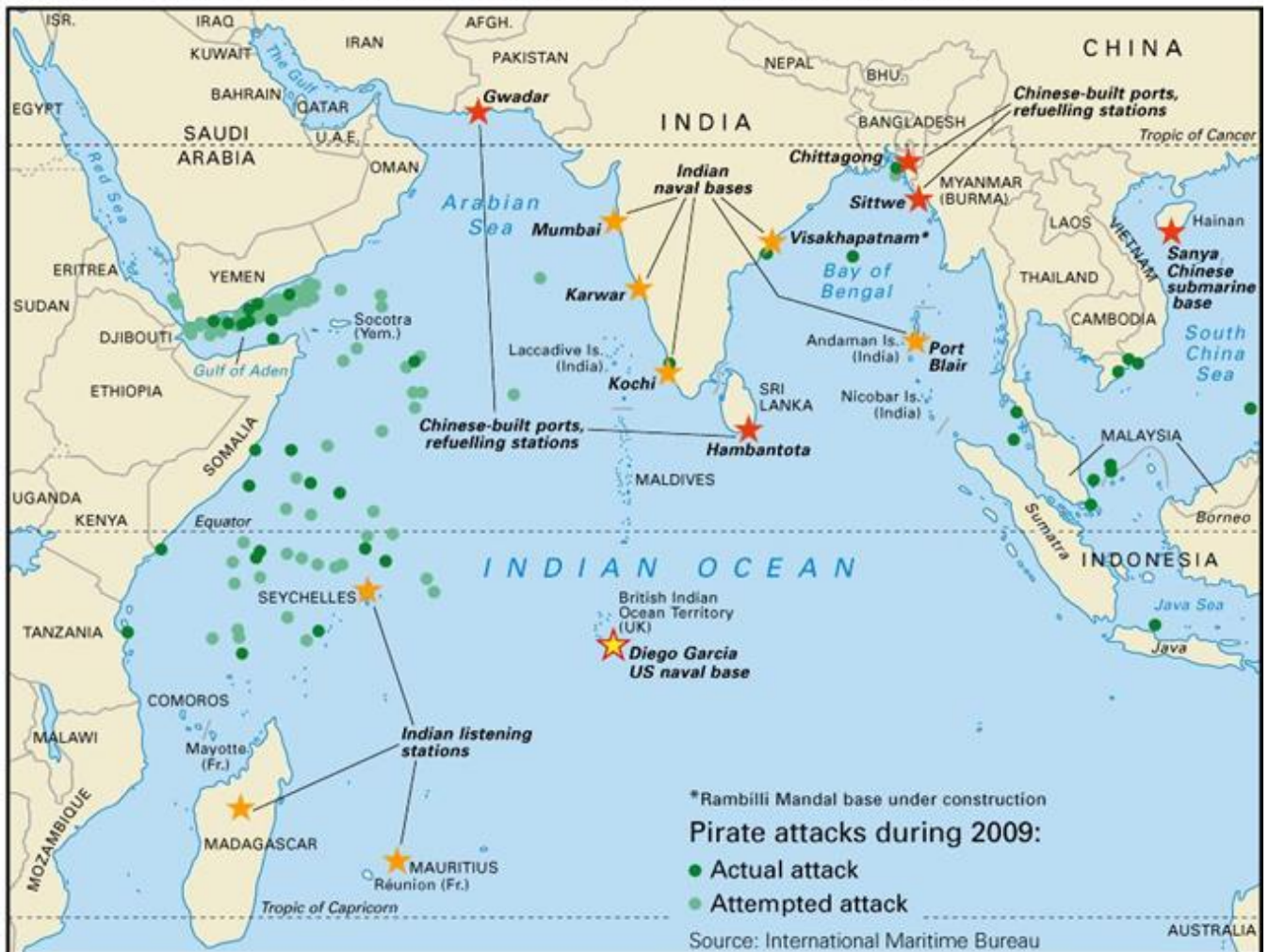
- India is helping Indian Ocean littorals as part of capacity and capability enhancement in strengthening their maritime domain awareness capabilities.
- Mr. Modi said those who lived in the region had the primary responsibility for peace, stability and prosperity in the Indian Ocean.
- Mr. Modi said that our goal is to seek a climate of trust and transparency; respect for international maritime rules and norms by all countries; sensitivity to each other's interests; peaceful resolution of maritime security issues; and increase in maritime cooperation.

### India and Mauritius relations

India and Mauritius share unique bonds based on our shared cultural heritage and traditions. Indo-Mauritians form about 70% of the country's population. Mauritius celebrates its National Day on March 12 as a mark of respect to Mahatma Gandhi, who began his Dandi march on this day in 1930.

- India has extended a \$500-million Line of Credit for development or security projects that Mauritius will decide on.
- Mauritius has a vast 2.3 million sq km of Exclusive Economic Zone (EEZ).
- An India-built naval patrol vessel 'Barracuda' for Mauritius was commissioned by Prime Minister Narendra Modi who said it will make the Indian Ocean "more safer and secure."
- Mauritius by virtue of its strategic location is recognised as a hub of maritime activities in Indian Ocean. The induction of coastal patrol vessel was yet another step for better control of its large assets besides helping in policing transnational crimes like piracy and bridging the communication gaps among its various islands.

## GREAT POWER COMPETITION IN THE INDIAN OCEAN



## India and Seychelles relations

Prime Minister became the first Indian PM to visit Seychelles after 34 years. Seychelles is one of the largest recipients of Indian assistance in this area.



- The close relationship between the two countries is based on the twin planks of maritime security and development cooperation.
- India has been involved with Seychelles in helping bolster its need for maritime security as it has a large Exclusive Economic Zone (EEZ) of 1.3 million square kilometers.
- Development cooperation encompasses capacity building where more than one percent of the Seychelles' population is trained under ITEC, provision of patrol vessels, hydrographic surveys etc besides cooperation in counter piracy and counter terrorism in high seas, which is critical for India's extended maritime security as well.
- There is a tradition of bilateral development cooperation in health, science & technology, renewable energy, providing advisors in critical areas and in bilateral exercises.
- Seychelles is a part of the Pan African e-Network project between India and the African Union.

## Why is Seychelles Important for India?

- India is trying to influence Indian Ocean Region by extending economic, military and diplomatic cooperation and through strategic partnership. From 2005, India has embarked upon a policy to engage four western Indian Ocean island nations and Seychelles forms a crucial part of it.
- Apart from its strategic location on international sea lanes of communication, Seychelles is a leader among SIDS group (Small Island Developing States) which has multifold areas of convergence with India.
- It is a leader in advancing the concept of 'blue economy', which covers huge panoply of aspects like environment, hydrocarbons, marine economy, renewable energy and exploration of continental shelf.
- **Chinese presence**
  - ✓ China has began making inroads into these island nations with infrastructure projects that have raised India's eyebrows.
  - ✓ A report published in a Namibian newspaper, quoting a Chinese media report that China plans to set up 18 naval bases in Indian Ocean Region including Seychelles has further added to Indian concerns. Hence, it is imperative for India to actively engage with this island nation to neutralize economic or commercial advantage that China offers to that country, thereby limiting its use for the Chinese as a `resupply` base.
- This island nation also forms the entry gate to eastern Africa with which India has had historical socio-commercial links and now forms a huge market for Indian firms.

## Defence cooperation

- India secured a pact to develop infrastructure of Assumption Island in Seychelles, which gives a strong boost to this partnership. Spread over 11 sq.kms, it is strategically located in the Indian Ocean, north of Madagascar
- **Exercise Lamitye- 2016:** The Seventh Joint Military Training Exercise between the **Indian Army and the Seychelles People's Defence Forces (SPDF)** - LAMITYE 2016 was conducted at Seychelles Defence Academy (SDA), Victoria.
- **Navy's aircraft on mission in Seychelles:** Indian navy has for the **first time deployed maritime reconnaissance** aircraft to Seychelles for surveillance of the **island nation's Exclusive Economic Zone.**



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## 6. AUSTRALIA, NEW ZEALAND AND PACIFIC ISLANDS

### 6.1. INDIA-AUSTRALIA

India and Australia have several commonalities, which serve as a foundation for closer cooperation and multifaceted interaction. Both are strong, vibrant, secular and multicultural democracies. They both have a free press and an independent judicial system; the English language is an important link. Cricket is a significant element in awareness at the popular level.

#### India- Australia nuclear deal

- India and Australia signed the civil nuclear deal in September 2014.
- India and Australia announced completion of procedures for India Australia Civil Nuclear Agreement. With the completion of procedures, including administrative arrangements, the India Australia Civil Nuclear Agreement will enter into force.
- With this move, India becomes the first country to buy Australian uranium without being a signatory to the international nuclear non-proliferation treaty (NPT).
- The deal underlines the deepening strategic ties with Australia.
- Australia has about 40 per cent of the world's uranium reserves and exports nearly 7,000 tonnes of yellow cake annually.

#### Trade

- The bilateral trade between India and Australia, **estimated at \$15 billion**.
- To strengthen bilateral trade and investment, both countries agreed to conclude a **Comprehensive Economic Cooperation Agreement (CEPA)** by the end of the year.
- Australia is pushing for tariff reduction in dairy products, fresh fruit, pharmaceuticals and wines. India wants zero duty on automobile parts, textiles and fresh fruit. India has also demanded greater access in the services sector.

#### Defence relation

- India –Australia both borders the Indian Ocean and has a shared interest in the maintenance of **freedom of navigation and trade**.
- Australia recognises India's critical role in supporting security, stability and prosperity of the Indian Ocean region.
- Australia and India are committed to working together to enhance maritime cooperation, first formal bilateral naval exercise (AUSINDEX) held off the coast of Visakhapatnam in 2015.
- People-to-people links through personnel and training exchanges have proved vital to building familiarity between our defence forces.

#### Multilateral Cooperation

- India and Australia cooperate in various multilateral fora. Australia supports India's candidature for a permanent seat in an expanded UN Security Council.
- Both India and Australia are members of the Commonwealth, IOR-ARC, the ASEAN Regional Forum, the East Asia Summit and the Asia-Pacific partnership on climate and clean development. In 2008, Australia became an observer in the SAARC.



## 6.2. INDIA AND NEW ZEALAND

President Pranab Mukherjee paid his first official visit to New Zealand. Mr. Mukherjee's is the first ever presidential visit from India to New Zealand.

### Outcome of visit

- President talked about cooperation in agriculture, dairy, food processing, education and skill development as well as high technology between the two countries.
- During the course of the visit, India and New Zealand also signed a deal that opens the door for direct flights between the two countries with an aim to boost tourism and trade sectors.

### Significance of New Zealand

- **Trade:** Bilateral trade between India and New Zealand stood at \$ 885 million in 2015, of which Indian exports accounted for \$ 429 million in 2015. There is ample scope to enhance bilateral trade. Both countries are in process to finalize free trade agreement (FTA).
- **Indian diaspora:** New Zealand is home to more than 170,000 people of Indian origin.
- Opportunity for skilled migrants from India who can contribute to New Zealand's economy.
- **Higher education:** Indian students constitute the second largest number of foreign students in New Zealand.
- New Zealand supports India's aspirations for permanent membership of the UN Security Council.
- New Zealand has great technological abilities in cold storage supply chain management and post—harvest technologies, which are of interest to India.
- Two nations have **“shared stakes” in a peaceful Asia-Pacific region** and can successfully work as partners in promoting security and stability there.
- New Zealand is important country for **India's 'Act East' policy**.
- New Zealand has strong influence of the **Pacific Island countries**

## 6.3. INDIA-PACIFIC ISLANDS COOPERATION (FIPIC)

**Forum for India-Pacific Islands cooperation (FIPIC)** is a multinational grouping developed in 2014 for cooperation between India and 14 Pacific Islands nations.

India hosted the second summit of the Pacific Islands countries, **Forum for India-Pacific Islands Cooperation (FIPIC)**, in Jaipur, as part of a strategy to expand its presence in the region which is important from an economic and geostrategic standpoint. **The agenda included agriculture, food processing, fisheries, solar energy, e-networks for coordination in telemedicine and tele-education, space cooperation and climate change**, all of which were mentioned as areas of potential cooperation by Prime Minister during his visit to Fiji in 2014.

- PM announced a major plan to open a **new space research and satellite monitoring station on the Fiji Islands**. A satellite monitoring station in Fiji will provide India with an independent satellite tracking capacity. At present, India relies on the United States and Australia to assist it with monitoring its satellites over the Pacific.
- The summit in Jaipur underlined the **growing geostrategic importance of the 14 South Pacific islands** that lie at the centre of a **key maritime route** rich in **resources** and **one of the largest voting blocs in the United Nations**.

### Analysis

- India's strong relations with **Fiji**, which **has considerable influence in the region**, was a “strong point” which could help counter the growing Chinese influence.
- Analysts argue that most of the **economies in the region are based on agriculture, fisheries and small-scale industries** and **India's capacity in these sectors** is even better than Europe and China; it can cultivate relations with the island nations based on its technology.
- Even small **investments will make a big impact in these regions**

- Many of these countries send **their nationals to India for education** through programmes sponsored by the **Indian Council of Cultural Relations**.
- The support of these countries is key to India's attempt to become a permanent member of the UN Security Council.

### **President visit to Papua New Guinea**

President Pranab Mukherjee paid first official visit to Papua New Guinea. This was the first ever visit by an Indian Head of State since India established diplomatic ties with the country in 1975.

### **Highlights of the President visit**

- India and Papua New Guinea signed **four Memorandum of Understanding (MoU)s** in the areas of agriculture, health, information technology and infrastructure.
- India agreed to provide a **line of credit of \$100 million** to Papua New Guinea for infrastructure projects and signed a pact to set up a **'Centre of Excellence' in information technology**.
- India is looking to explore and develop Papua New Guinea's vast **oil and gas resources** through joint ventures and investments.
- Papua New Guinea reiterated its support for India's claim for **permanent membership in the UN Security Council** and agreed to expedite a proposed **Bilateral Investment Promotion and Protection Agreement (IPPA)** to facilitate investments. It announced visa-on-arrival facility for Indian tourists.
- **FIPIC, the Forum for the India-Pacific Islands Cooperation**, a multilateral forum launched by Prime Minister Narendra Modi in November 2014.
- India considers its cooperation with the islands of the Pacific to be a key component of **'Act East' policy**.

# 7. USA

## 7.1. INDIA-USA RELATION

India-U.S. bilateral relations have developed into a "global strategic partnership", based on shared democratic values and increasing convergence of interests on bilateral, regional and global issues.

**Prime Minister Narendra Modi visit to USA.**

**Highlights of Joint statement:**

The India-US Joint Statement during Prime Minister Modi's visit	What India gave	What India got
<b>Climate and Energy</b>	Work towards an HFC amendment in 2016 "with an ambitious phasedown schedule" under the <b>Montreal Protocol</b> pursuant to the Dubai Pathway	US to pursue membership of the <b>International Solar Alliance (ISA)</b>
	Pursue negotiations at the <b>International Civil Aviation Organization Assembly</b> to reach a "successful outcome" to address greenhouse gas emissions from international aviation.	<b>Six AP 1000 reactors to be built by Westinghouse</b> ; India and the U.S. Export-Import Bank to work together toward a competitive financing package for the project.
	Announcement of a \$20 million U.S. - <b>India Clean Energy Finance (USICEF)</b> initiative, supported equally by both countries.	
	\$40 million <b>U.S.-India Catalytic Solar Finance Program</b> , also supported equally.	
<b>Export Control and Defence Cooperation</b>	US to designate India as a " <b>major defence partner.</b> "	US re-affirmed support for India's entry into the Nuclear Suppliers Group, the Missile Technologies Control Group, the Australia Group and Wassenaar Arrangement
	Text of the Logistics Exchange Memorandum of Agreement "finalised."	US "welcomed" India's offer to host the Summit on Countering Weapons of Mass Destruction Terrorism in 2018
	The U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region would be the guide for collaboration in years to come.	India to receive license-free access to a "wide range of dual-use technologies", but in accordance with US law, which may adopt stricter standards than the export control norms
		Memorandum of Understanding for exchange of earth observation satellite data "finalised."

<b>Cyber</b>	A “commitment” to promote the free flow of information.	Mandate for closer cooperation among law enforcement agencies to combat cybercrime.
	India supports norm against conducting or supporting ICT-enabled theft of intellectual property, including trade secrets or other confidential business information for commercial purposes.	US commits to strengthen “critical Internet infrastructure” in India.
	Greater cooperation on cybersecurity standards and security testing.	Norm to tackle malicious cyber activity emanating from one’s territory
<b>Counter-terrorism</b>		Express iteration of Pakistan’s responsibility to “bring the perpetrators of the 2008 Mumbai and [for the first time] 2016 Pathankot terrorist attacks” to justice
		US re-affirmed its support for a UN Comprehensive Convention on International Terrorism.
<b>Trade</b>	Work towards “concrete progress” on IPR issues and enhance bilateral cooperation among the “drivers of innovation” in both countries.	
	Re-affirm trilateral cooperation with African partners, “including in areas such as agriculture, health, energy”.	

## 7.2. DEFENSE RELATION

Defence ties have been consolidated in three ways: in **defence procurement** from the U.S. as well as co-development projects, which are worth over \$14 billion; in coordination, cooperation and sharing of information between the two defence forces; and increasingly, on the idea of working together on operations on **piracy, peacekeeping and patrolling**.

### Logistics Exchange Memorandum of Agreement (LEMOA)

Union Defence Minister and U.S. Defence Secretary signed a Logistics Exchange Memorandum of Agreement (LEMOA).

- The agreement does not mention the setting up of “permanent bases” in either country.
- LEMOA only facilitates establishing “mutual basing facilities”. This would be on a case-by-case basis, intended to help speed up **humanitarian relief operations as also emergency evacuation from conflict-prone regions**.
- In certain circumstances, it could also help smoothen operational logistics between the navies of the two countries.
- The agreement would give **American aircraft and warships access to Indian military bases** for logistical purposes, including **refuelling and repair**. In turn, India’s military will enjoy similar access to U.S. bases.
- The U.S. has recognised India as ‘major defence partner,’ a classification that will allow India to buy more advanced and sensitive technologies from the U.S.

- India and the US signed a new strategically important 10-year defence framework pact **envisaging joint development and manufacture of defence equipment and technology including jet engines, aircraft carrier design and construction.**

#### Maritime security cooperation

- India's sustained multi-year commitment to participating in the RIMPAC multilateral naval exercise. **RIMPAC, the Rim of the Pacific Exercise**, is the world's largest international maritime warfare exercise.
- A promise to expeditiously conclude a **"white shipping" technical arrangement** to improve data sharing on commercial shipping traffic.
- An agreement to commence **Navy-to-Navy** discussions on submarine safety and anti-submarine warfare.

#### U.S.-India Defence Technology and Partnership Act

India-U.S. defence cooperation has witnessed an unprecedented boom for well over a decade now with the aggregate worth of defence acquisitions from Washington exceeding \$10 billion.

- U.S. Congress introduced a resolution, the **U.S.-India Defence Technology and Partnership Act**, which places India on a par with its **NATO allies in terms of trade and technology transfer**, specifically elevating its status as a defence export market.
- The U.S.-India Defence Technology and Partnership Act would **"institutionalise" the Defence Technology and Trade Initiative (DTTI)** framework between the two countries and the **India Rapid Reaction Cell (IRRC)** in the Pentagon.
- The IRRC launched in 2012 to deepen high technology cooperation and move towards co-development and co-production of high technology platforms.

#### Analysis

- By agreeing to sign the LEMOA, India has sent out a clear signal that it has no inhibitions about being bound in strategic engagements with the U.S. This would **qualitatively transform India's relations with the U.S.**
- Strategic experts, especially those in the West, are of the view that the LEMOA is a critical link in the U.S.'s plans for a larger pivot towards Asia. Also, that it is intended to meet the threat from an increasingly assertive China.
- Many observers feel that New Delhi must take a considered view of the repercussions that such a **strategic alliance may have for India's relations with other countries.**
- It may affect **India's independent foreign policy.**

## 7.3. SOLAR DISPUTE

#### National Solar Mission

The Indian Government launched the **National Solar Mission (NSM)** in January 11, 2010 as one of the eight national missions under **India's National Action Plan on Climate Change (NAPCC)**. The NSM has the aim to promote the use of solar energy in India, foster energy security and make India a global leader in solar energy.

- The Union Cabinet gave its approval for stepping up of India's solar power capacity target under the Jawaharlal Nehru National Solar Mission (JNNSM) by five times, reaching **1, 00GW by 2022.**
- The government has also offered financial support of up to **Rs.1 crore per MW** to the implementing agency for setting up large solar capacities by placing orders with domestic manufacturers.

#### USA against National Solar mission

The US has filed a complaint in the **WTO against India's domestic content requirement (DCR)** under the country's Jawaharlal Nehru National Solar Mission.

- US have claimed that the DCR violates WTO agreements such as **national treatment principle** and agreement on **trade related investment measures (TRIMS).**
- The US trade complaint in 2013 alleged that the Jawaharlal Nehru National Solar Mission subsidies were available only if developers used equipment produced in India, violating a key global trade rule.

## India's proposal to USA

India is convinced that the DCR is a mechanism to facilitate sustainable development.

- India proposed that it would use the domestic content requirement measures for buying solar panels for its own consumption such as by the railways and defence and would not sell the power generated from such subsidized panels for commercial use.

## WTO ruling

The WTO ruling comes three years after the US raised a dispute against India, and following the inability of the two countries to agree on the changes suggested by New Delhi to its solar programme. Following are the main point of WTO ruling:

- India's domestic content requirements in question were trade-related investment measures for the purposes of the Illustrative List in the TRIMs Agreement's Annex and were therefore inconsistent with **Article 2.1 of the TRIMs Agreement**.
- The Panel also found that the **domestic content requirements** in question do accord "**less favourable treatment**" within the meaning of Article III:4 of the GATT 1994
- The panel, however, did not pronounce a verdict on the financial subsidies provided by India for

## Analysis

Given the potential for positive social and economic outcomes from the ambitious solar power programme, India will be compelled, to contest the WTO ruling before the appellate body. The rulings of the WTO's dispute settlement panel can be challenged in the WTO's appellate body.

- Many analysts feel that the WTO ruling will have wider implication not for India but also many developing countries that are struggling to switch to green economy. Domestic content requirement is envisaged to generate job to lift millions of people from abject poverty.
- Also there is growing international pressure for promoting green industries to address climate change after the **Paris climate change agreement**.
- The final ruling comes soon after the Paris climate agreement, where developing countries were promised **technological and financial assistance** for promoting renewable energy programmes.
- At Paris, Prime Minister Narendra Modi launched the ambitious **International Solar Alliance, with the aim of switching "sunshine nations"** in tropical areas to solar energy.
- Global environmental pressure groups have criticized the WTO ruling and requested developed countries not to impose free trade rules that threaten the clean energy economy and undermine action to tackle the climate crisis

## 7.4. COOPERATION IN ANTI-TERROR MECHANISM

Home Ministry signed an agreement to join the global terror database maintained by the **Terrorist Screening Center (TSC)** of the U.S.

- The U.S. has already finalised such agreements with 30 countries and the Terrorist Screening Center has details of **11,000 terror suspects on its database**, including nationality, date of birth, photos, finger prints (if any) and passport number.
- The Research and Analysis Wing (R&AW) and Intelligence Bureau (IB) had opposed giving the United States unhindered access to the database of terror suspects in India.

## 7.5. TRADE AND ECONOMIC

Bilateral trade between the countries has reached \$100 billion and may rise to \$500 billion by the end of the decade.

## Trade irritants

Despite growing strategic closeness, the U.S. and India have had several irritants in their relationship on the trade front in recent months.

- **Solar dispute**
- **Dispute with the U.S. over the increase in visa fees**
  - ✓ President **Obama had recently signed into law a \$1.8 trillion tax and spending Bill**. It, among other things, authorised the visa fee hike that will be applicable to companies employing 50 or more, and with over 50 per cent of their employees in the US on H1B and L1 visas.
  - ✓ **H1B and L1 visas are temporary** work visas for skilled professionals. India is the largest user of H1B visas and is also among the largest users of L1 visas.
  - ✓ According to Nasscom estimates, the move could lead to an annual loss of **\$400 million for the Indian IT industry**.
  - ✓ According to India, the measures appear to be inconsistent with U.S. commitments under the **General Agreement on Trade in Services (GATS)**.
  - ✓ India will soon ask the **World Trade Organisation (WTO) Dispute Settlement Body** to establish a **panel of experts to adjudicate** its dispute with the U.S. over the increase in visa fees.
  - ✓ This follows the failure of India and the U.S. to arrive at an amicable solution during the consultations held on May 11 and 12 under the auspices of the WTO. According to WTO norms, if consultations fail, the complaining country can ask the settlement body to appoint a panel.
- **Intellectual property (IP) rights**
  - ✓ The United States Trade Representative's (**USTR**) **Special 301 Report for 2016**, which is its annual assessment of the state of intellectual property (IP) rights in other countries, has kept India on a **priority watch list**.
  - ✓ India has repeatedly asserted that its IP laws are compliant with standards mandated by the WTO's **Trade Related Intellectual Property Rights (TRIPS)** and has resisted 'TRIPS Plus' requirements in international trade deals.
  - ✓ The U.S. has been pushing against India's **compulsory licensing** laws for drugs in the interest of public health as well as **against Section 3(d) of the India Patent Act**, which prevents patents from being taken out on a product unless its efficiency is significantly enhanced.
- **Import of poultry**
  - ✓ The U.S. had filed the case against India's prohibition on importation of various agricultural products (including poultry) from the U.S. purportedly because of concerns related to **Avian Influenza (bird flu)**. The U.S. had claimed that the ban was against WTO norms and had hurt its poultry exports to India.
  - ✓ The WTO Appellate Body had found that India's import prohibition on poultry and poultry products was **'discriminatory' and 'more trade-restrictive than required'**, and therefore violated WTO norms.
  - ✓ As per the U.S., India failed to comply with the WTO body's recommendations within the set deadline (of June 19).
  - ✓ The U.S. now wants an arbitration panel under the WTO to approve **imposing trade sanctions** that could cost India more than **\$450 million annually**.

## 7.6. INDIA-PAKISTAN-USA

### USA de-hyphenating policy

The US government, under President Bush, formulated the action plan of the **'de-hyphenation'** policy but it was sealed when Obama came to power.

- It allows the State Department to **view India and Pakistan as two separate silos**, without referring to their bilateral relations.
- It has been useful for the US as it was able to improve strategic and military ties with India without necessitating a reaction from Pakistan.
- It also helped them in Afghanistan to continue with their strategy of collaborating with the Pakistan army without referring to India.

- **Special Representative for Afghanistan and Pakistan (SRAP)** was set up in 2009 which hailed the commencement of the de-hyphenation policy.
- By separating its relations with both New Delhi and Islamabad from each other, Washington has stood to gain a lot since 2008, as have the two countries in question.

#### Reversal of policy

- Seven years after the Obama Plan of 2009 restructured the US State Department to 'de-hyphenate' relations with India and Pakistan, the administration is actively considering a reversal of the move. The Obama Government wants to re-merge the office of the **Special Representative of Afghanistan and Pakistan (SRAP) with the Bureau of South and Central Asia (SCA), which handles India.**

#### Impact of such decision

Re-hyphenation implies putting India and Pakistan in the same basket vis-à-vis Washington's relations with both these countries. India disapproved of hyphenation with Pakistan.

- Such a decision would significantly enhance the prospects of Washington's meddling in India-Pakistan relations.
  - ✓ Inclusion of SARP would make the US third party in India-Pakistan dispute
  - ✓ The present state of de-hyphenated India-Pakistan relations allows for a bilateral resolution of the mutual problems between the countries without any mediation by a third party.
- A re-hyphenated India-Pakistan relationship in the US's scheme of things is not desirable for India because it is likely to affect India's Afghanistan policy.
  - ✓ India's Afghanistan policy could be tweaked to support some of the US's own policies in the region.
  - ✓ It would make India indirectly support US policy in Afghanistan.



# 8. EUROPEAN UNION

## 8.1. 13TH INDIA-EU SUMMIT

The 13th EU-India Summit was held in Brussels on March 2016.

### Outcome of summit:

The 13th India-EU Summit concluded in Brussels **without a consensus on a bilateral free trade deal** even as progress was made in bilateral cooperation in other fields -- from **foreign policy to outer space**. **Following are the major outcomes of the summit:**

- **EU-India Agenda for Action-2020**

India and the European Union (EU) have endorsed the 'EU-India Agenda for Action 2020' as a common road map for the strategic partnership in the next five years.

- ✓ **Foreign Policy and Security Cooperation:** Strengthen foreign policy cooperation, in areas of mutual interest such as Asia, Africa, the Middle East/West Asia, Europe, and other relevant areas.
- ✓ **Security: Strengthen** cooperation and work towards tangible outcomes on shared objectives of non-proliferation & disarmament, counter-piracy, counter-terrorism (including counter-radicalization) and cyber security.
- ✓ The two sides agreed to cooperate in **countering violent extremism**, disrupt recruitment of terrorists and prevent the free passage of foreign fighters.
- ✓ They have also agreed to explore the possibility of **India and EUROPOL**, the EU law enforcement agency, to share intelligence.
- **The Common Agenda on Migration and Mobility (CAMP)**, which was also adopted, is designed to control and organize migration a pressing concern for the EU.
  - ✓ The Agenda also includes the prevention of human trafficking and promoting international protection as priority areas.
- **Joint Declaration on an India-EU Water Partnership (IEWP):** The objective of this Joint Declaration is to strengthen technological, scientific and management capabilities of India and the EU in the field of water management on the basis of equality, reciprocity and mutual benefit.
- Joint Declaration on a **Clean Energy and Climate Partnership**.
- Both sides agreed to further the negotiations on **early conclusion of the BTIA**.
- **The European Investment Bank (EIB)** signed an agreement with India to release the first tranche of 200 million euros of its total 450 million euros loan towards the construction of the Lucknow Metro's first line.

### Deadlock in Broad-based Trade and Investment Agreement (BITA)

The BTIA negotiations have remained deadlocked over growing differences regarding greater market access sought by both sides for merchandise exports.

### EU's main Demands

- EU has been keen on **reducing or abolishing tariffs** in several sectors, including in the automobile and wine and spirits sectors.
- India's import duty on cars are between 60 and 120 per cent as against the EU's 10 per cent.
- The EU is keen that India should adopt **stringent IP protection standards** even if that means going beyond the WTO specified standards.
- **The problem of India's model BIT**
  - ✓ India's new model bilateral investment treaty (BIT) is another major contentious issue, especially for foreign investment.
  - ✓ Given the experiences of major European companies such as **Vodafone and Cairn**, who are battling the imposition of retrospective taxes by India, the **EU is deeply concerned about the protection of its investments in India**.

### India's main demands

- India's main demands on **data security status** (crucial for India's information technology sector to do more business with the EU firms), **easier temporary movement of skilled professionals** and **seamless intra-corporate movement**.
- The EU should do away with **their non-tariff barriers** that seem to have been erected mainly to protect some of their local firms but not as much for better safety or quality.
- India has also sought **agricultural market access** in the EU as well as disciplining of **Sanitary and Phyto-sanitary** (norms related with plants and animals) and **Technical Barriers to Trade**.

### Importance of EU:

- The European Union is our **largest trading partner**, and our largest export destination. And it is our largest source of Foreign Direct Investment.
- However, India's exports to EU in 2014-15 had shrunk (-) 4.4 per cent year on year to \$49.3 billion. Imports from EU had also contracted (-) 1.5 per cent in 2014-15 to \$49.2 billion.

### Other major issues between India and EU:

- **Human rights violation:** One of the ostensible reasons for stalled talks between the European Union (EU) and India had been the EU concern over **human right violations in India**.
- **Italian marines** case has also played a spoiler in the EU-India relationship.
- **Arbitrary Ban:** In August 2015, India had deferred FTA over the EU imposing a ban on sale of around 700 pharma products.

## 8.2. INDIA-GERMANY

Bilateral relations between the Republic of India and the Germany have been traditionally strong due to commercial, cultural and technological co-operation. German Chancellor Angela Merkel travelled to India for the Third Indo-German Inter-Governmental Consultations.

**A total of 18 agreements** were signed, which covered a wide range of topics — from skill development to education, science and technology to aviation.

Promotion of German as a foreign language in India and the promotion of modern Indian languages in Germany.	Summary record of the negotiations on development cooperation.
Indo-German solar energy partnership.	Skill development, and vocational education and training.
Security cooperation.	Aviation security.
Disaster management	Cooperation in agricultural studies
Supporting participation of young Indian scientists in natural sciences for the Lindau Nobel Laureate Meetings.	Extension of the tenure of the Indo-German Science and Technology Centre (IGSTC).
Indo-German Partnerships in higher education (IGP).	Plant protection products
Development of cooperation in the field of railways.	Cooperation in the field of manufacturing.
Setting up a fast-track system for German companies in India.	Cooperation in the field of advanced training of corporate executives and junior executives from India.

Cooperation in food safety between the Federal Institute for Risk Assessment (BFR) and the Food Safety and Standards Authority of India (FSSAI).

Cooperation in food safety between the Food Safety and Standards Authority of India (FSSAI) and the Federal Office of Consumer Protection and Food Safety (BVL).

### Highlights of the visit

- Germany returned to India a 10th century Durga idol that had gone missing from a temple in Kashmir over two decades ago.
- **“Fast-track clearance mechanism”:**
  - In a bid to attract German investment, India decided to set up a “fast-track clearance mechanism”. The only other such country-specific mechanism is for Japan.
  - The fast-track system for German companies will be taken care of by the Department of Industrial Policy and Promotion (DIPP), and will become operational by March 2016.
- The two leaders also underlined the importance of **freedom of navigation in international waters** and the right of passage and other maritime rights in accordance with international law, in an apparent reference to growing Chinese assertiveness in the South China Sea.
- Germany has expressed its inability to sign the **Mutual Legal Assistance Treaty (MLAT)** with India, citing its provision for “death penalty” for heinous crimes and terror activities.
- India and Germany agreed to resume talks towards a **free trade agreement** between Asia’s third-largest economy and the European Union.
- Germany is India’s largest trading partner in the E.U. and one of the top ten global trading partners.
- The overall exchange of goods and services between the two countries was valued at around around 15.96 billion euros last year, a drop of €1.14 billion from the level of €16.10 billion registered in 2013.
- German Chancellor highlighted problems that German businesses have faced in operating in India, and hoped that the new agreement for a special “fast-track” mechanism would help them secure licences and clearances expeditiously.
- **Cooperation in clean energy:**
  - The two countries agreed on the **India Germany Climate and Renewable Energy Alliance** — a comprehensive partnership to harness technology, innovation and finance in order to make affordable, clean and renewable energy accessible to all.
  - Germany has committed to providing an assistance of over 1 billion Euros for India’s Green Energy Corridor and a new assistance package of over 1 billion Euros for solar projects in India.
- **Germany is India’s “natural ally”**

India’s natural partners would be countries that, on the one hand, do not compete with it either in the marketplace or in power politics, and, on the other, have something to offer India that it lacks.

- ✓ By assisting India in the quest for development and geo-economic growth, Germany has the opportunity to bolster their own rise in geopolitical terms.
- ✓ Germany has surplus capital, modern technology and a demographic deficit.
- ✓ India has a deficit of capital, lacks modern technology and has exportable human capital.
- **UN Security Council reform**

Germany and India are vigorously pursuing UN security reform along with Japan and Brazil.

## 8.3. INDIA AND FRANCE

Relations between India and France have traditionally been close and friendly. With the establishment of strategic partnership in 1998, there has been a significant progress in all areas of bilateral cooperation. President François Hollande was Chief Guest at the Republic Day parade.

- The relationship is based on shared values and real convergence on a whole range of regional and global issues.

- France was the first country with which India entered into an agreement on Civil Nuclear Cooperation. France has consistently supported India's increasing role in international fora, including India's permanent membership of the UNSC.

#### Trade relation

- India-France trade hovers around \$8 billion, which is half of India's trade with UK or Germany. A big reason for this is the impasse in India's economic relations with the European Union.
- More than a thousand French companies have a total investment of about \$20 billion in India.

#### Strategic partnership

- In the post-Cold War period, France was the first country with which India established a '**strategic partnership**'. The only major Western power that described the U.S. as a "hyperpuissance" (hyperpower) and openly espoused the virtues of multi-polarity found a natural **ideological convergence with India's ambitions of seeking strategic autonomy**.
- After the nuclear tests in May 1998, when India declared itself a nuclear state, France was the first major power to open talks with the country.
- The strategic dialogue has been institutionalized at the level of National Security Advisors, and covers nuclear, defence, space and counter-terrorism, cyber security issues.
- These have been given a boost by the agreement on intelligence-sharing and cooperation on investigations and judicial processes.

#### Rafale deal

- India would buy 36 of the fighter planes in flyaway condition, citing critical operational requirements of the Indian Air Force.
- The two countries have signed a MoU on purchase of Rafale fighter jets.

#### Nuclear agreement

- The Jaitapur project, where French company Areva is to set up six nuclear reactors with a total power generation capacity of about 10,000 MW, has been stuck for long because of differences over the cost of the power generated.
- Both countries have decided to clear the logjam by splitting the problem into different silos — allowing for separate mechanisms for the pricing issues and for the technical and legal aspects.

#### Solar energy

- French President inaugurated the interim Secretariat of the International Solar Alliance at Gurgaon.
- The French Development Agency will allocate for the development of solar energy €300 million over the next five years.
- The International Solar Alliance, envisaged to bring together 122 countries that lie wholly or partly between the Tropic of Cancer and the Tropic of Capricorn, is an initiative announced by Mr. Modi at the COP 21 Summit in Paris in November 2015. The member countries are to be those that enjoy 300 or more days in a year of bright sunlight.

## 8.4. INDIA AND ITALY

#### Italian marine case

An international arbitration tribunal has ruled that Italian marine can return to Italy until it decides a dispute raised by Italy **about India's jurisdiction to try him and his colleague** for the killing of two Indian fishermen in February 2012.

- Subsequent to tribunal ruling, The Supreme Court ruled that Girone (Italian marine) can return to Italy while an international tribunal decides on a jurisdictional issue between India and Italy. The Supreme Court laid down conditions for releasing Mr. Girone.

- ✓ He continues to remain under the **jurisdiction of the Supreme Court** and report to the local police station in Italy once every month. Also, the Italian authorities will keep the Indian embassy informed.
- ✓ **Envoy's responsibility:** The Italian Ambassador will take the responsibility of ensuring his return within a month in case the tribunal rules in favour of trial in India.

### Background of the Case

Two Italian marines-Massimiliano Latorre and Mr. Girone are facing the charge of murdering two Indian fishermen in 2012 off the Kerala coast.

#### Italy position

- The Italian position is that the two marines positioned on board a merchant tanker, the *Enrica Lexie*, had opened fire to thwart what they **perceived as a pirate attack 20.5 nautical miles off** Kochi.
- It is further argued that the death of the two Indian fishermen occurred in the course of the **discharge of their operational duties**, and hence **functional immunity could** be invoked as related to the military personnel of any nation.
- Italy argues that the case should not be heard in India because the incident occurred in **international waters**.

#### India's position

India has steadfastly rejected Italian argument and **has invoked its sovereign right to prosecute** the accused under the provisions of Indian law.

#### International Tribunal for the Law of the Sea (ITLOS)

In June 2015 Italy approached the **International Tribunal for the Law of the Sea (ITLOS)** in Hamburg.

- The tribunal is adjudicating only on the limited question of whether India or Italy has the jurisdiction to try the two marines.
- In August 2015 ITLOS ordered that: "Italy and India shall both suspend all court proceedings and refrain from initiating new ones which might aggravate or extend the dispute submitted to the Annex VII arbitral tribunal or might jeopardise or prejudice the carrying out of any decision which the arbitral tribunal may render."
- Subsequent to the ITLOS ruling, both parties agreed that the dispute would be resolved under the UNCLOS tribunal.
- **May 2, 2016:** A U.N. arbitration court rules that India should release Italian marine Salvatore Girone.

#### International Tribunal for the Law of the Sea (ITLOS)

It is an intergovernmental organization created by the mandate of the Third United Nations Conference on the Law of the Sea. It was established by the United Nations Convention on the Law of the Sea, signed at **Montego Bay, Jamaica**, on December 10, 1982.

- The tribunal is based in **Hamburg, Germany**.
- The Tribunal has the power to settle disputes between party states.

## 8.5. INDIA-UK

Prime Minister Narendra Modi became the first Indian prime minister to visit the UK in almost a decade.

- The two leaders reaffirmed their commitment to working together to build such an enhanced and transformative partnership for the betterment of their two countries and the world.
- India and the U.K. announced an enhanced defence and strategic partnership as well as a civil nuclear agreement
- Both countries for the first time, jointly pushing for the UN comprehensive convention on international terrorism (CCIT), and strengthening strategic cooperation and intelligence-sharing through annual consultations.
- **£9.2 Billion of commercial deals** between the UK and India announced during the visit and listed in the annex.

- Both countries announced three **UK-India city partnerships** with Indore, Pune and Amravati to support India's ambitious urban development goals through technical assistance, expertise sharing and business engagement.
- Both countries have launched a new **Thames/Ganga partnership** for healthy river systems. This partnership will consist of a collaborative programme of research and innovation to enable the sustainable management of water resources in the Ganga basin and a policy expert exchange in 2016 supported by the UK Water Partnership.
- Announcement of setting up of joint **India-UK Vaccine Development collaboration** between the Department of Biotechnology and Research Councils, UK.

#### **Trade and investment**

- U.K. is the largest G20 investor in India, while India invests more in the U.K. than the rest of the European Union combined. India has also emerged as the third largest source of FDI for the U.K. Indian companies employ 110,000 people in the UK.
- Foreign direct investment inflows from Britain to India between April 2000 and March 2016 were worth \$23.1 billion. The UK has accounted for 8.56% of total foreign direct investment in India during the last 15 years.
- Bilateral trade has stalled at the level of \$ 15-16 billion.

#### **Visa issue**

- India has conveyed its concerns to the UK authorities about the new British immigration law that will impact professionals earning below 35,000 pounds annually.
- Thousands of Indians and other nationals from outside the European Union (EU) living and working in Britain on a **tier-2 visa may** have to leave or be deported if they earn less than **€35,000 a year once the terms of the visa expire.**
- Indian professionals have formed the **largest category of individuals** issued such visas by the UK over the years.
- Indian professionals are also facing visa related challenges in other countries, including the U.S. India has dragged the U.S. to the WTO over its decision to impose high fees on temporary working visas.

#### **Issue of Pakistan**

- India believes that the UK should take a tougher line with Pakistan on terrorism. The UK argues that it needs to maintain a positive relationship with Pakistan, not least because of the size of the Pakistani diaspora.

# 9. JAPAN

## 9.1. INDIA-JAPAN

- Mr. Shinzo Abe, Prime Minister of Japan, visited India from 11 to 13 December, 2015.
- Japan has always been a significant economic partner of India, but not a strategic one. Now, both on the economic and strategic fronts, the India-Japan relationship is being transformed.

### Important Outcomes

#### 1. Nuclear agreement signed

- reached broad agreement on civil nuclear cooperation after five years of wrangling.
- This will clear the way for American firms — which source key equipment in Japan — to sell nuclear reactors to India.
- Commerce aside, this agreement is also symbolically important because Japan was one of India's most vocal critics after New Delhi's 1998 nuclear tests.
- This is part of India's decade-long process of progressive nuclear rehabilitation.

#### 2. Defense and Security relationship

- New linkages between the Indian and Japanese air forces and coast guards.
- Indian training for Japan's counter-terrorism capabilities.
- Agreements to share classified military information.
- Transfer of Defense Equipment and Technology.
- India's decision to invite Japan as a 'formal partner' to the US-India Malabar naval exercises.
- This will passively balance Chinese power. This will complement other initiatives of India like **US-India-Japan** trilateral at the foreign minister level in October and a **US-India-Australia** trilateral at a slightly lower level in June.

#### 3. Trade and Investment

- Japan will create a \$12bn-facility to support Japanese companies investing in India to further our Make in India objective
- As part of the broader Japanese support for Indian infrastructure, memorandum of cooperation on the hi-speed Shinkansen rail system between Mumbai and Ahmedabad to be financed with a highly concessional yen loan has been signed.

### India-Japan Economic and Commercial Cooperation

- Complementarities between the two countries
  - ✓ Japan's ageing population (23% above 65 years) and India's youthful dynamism (over 50% below 25 years);
  - ✓ India's rich natural and human resources and Japan's advanced technology;
  - ✓ India's prowess in services and Japan's excellence in manufacturing;
  - ✓ Japan's surplus capital for investments and India's large and growing markets and the middle class.
- The signing of the historic India-Japan Comprehensive Economic Partnership Agreement (CEPA) and its implementation from August 2011 is expected to further accelerate growth of trade, economic and commercial relations between the two countries.
- Japan has been extending bilateral loan and grant assistance to India since 1958. Japan is the largest bilateral donor to India. Japanese ODA supports India's efforts for accelerated economic development particularly in priority areas like power, transportation, environmental projects and projects related to basic human needs. For example
  - ✓ New Delhi metro network.
  - ✓ The Western Dedicated Freight Corridor (DFC),
  - ✓ the Delhi-Mumbai Industrial Corridor with eight new industrial townships,
  - ✓ the Chennai-Bengaluru Industrial Corridor (CBIC)
  - ✓ India's primary exports to Japan have been petroleum products, chemicals, elements, compounds, non-metallic mineral ware, fish & fish preparations, metalliferous ores & scrap, clothing & accessories, iron & steel products, textile yarn, fabrics and machinery etc.
- Japanese FDI into India grew exponentially from US\$ 139 million in 2004 to all time high of US\$ 5551 million in 2008. Currently FDI from Japan to India was US\$ 1.7 billion during January-December 2014. Japanese FDI has mainly been in automobile, electrical equipment, telecommunications, chemical and pharmaceutical sectors.
- The number of Japanese affiliated companies in India has grown significantly over the years.

- 13 big infrastructure projects to be financed by ODA loans such as Metro projects both in Chennai and Ahmedabad and road network connectivity in our Northeastern states.
- 4. India and Japan signed a Protocol for amending the existing Convention for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income which was signed in 1989. The protocol provides for**
- Internationally accepted standards for effective exchange of information on tax matters including bank information and information without domestic tax interest.
  - The information received from Japan in respect of a resident of India can be shared with other law enforcement agencies with authorisation of the competent authority of Japan and vice versa.
  - Both India and Japan shall provide assistance to each other in the collection of revenue claims.
  - Exemption of interest income from taxation in the source country with respect to debt-claims insured by the Government/Government owned financial institutions.

#### Upgrading civilian infrastructure in the Andaman and Nicobar Islands.


India and Japan are in talks to collaborate on **upgrading civilian infrastructure in the Andaman and Nicobar Islands.**

- The first project being discussed is a modest one — a 15-megawatt diesel power plant on South Andaman Island.
- To counter china's growing influence, India is building strategic relations with Japan, Australia and the United States, as well as regional powers like Vietnam.

#### Way forward

- India's Act East policy — of which the India-Japan relationship is a core strand — is important not just for boosting investment but also signaling to China.
- It is also to strengthen India's voice in regional debates, whether on economic or security issues, such that India will be in a position to shape emerging economic and security architectures as they form, rather than accommodate to them afterwards.
- As a recent RAND study noted, 'Southeast Asia sees India primarily as a security partner, while India primarily sees Southeast Asia as a trade partner'. The more that India accepts the garb of security partner, the more pivotal its role in Asia and its voice in debates.

### A COUNTER TO THE DRAGON

<ul style="list-style-type: none"> <li>• Andaman and Nicobar Islands are being seen by India and Japan as an asset to counter China's outreach in the Indian Ocean</li> </ul>	<p><b>SIGNIFICANCE:</b> The Andaman and Nicobar Islands are northwest of the Strait of Malacca, offering control of a so-called choke point that is one of China's greatest marine vulnerabilities</p>	
<ul style="list-style-type: none"> <li>• India will for the first time accept foreign investment in the archipelago</li> </ul>	<ul style="list-style-type: none"> <li>• The new collaboration is also a testimony to the big push in India-Japan relations. Japan is funding a \$744 million road building project in the northeastern Indian border region covering Mizoram, Assam and Meghalaya</li> </ul>	

## 9.2. US-JAPAN-INDIA TRILATERAL MEET

The foreign ministers of India, Japan and the US met in New York in the first such trilateral engagement between the three countries with an eye on China's growing influence in the world.

- The foreign ministers underscored the importance of **international law and peaceful settlement of disputes, freedom of navigation and overflight and unimpeded lawful commerce, including in the South China Sea.**
- The US maintains the **South China Sea is international water**, and sovereignty in the area should be determined by the UN.
- With China getting more assertive, the US is looking to marshal allies in the region to take a strategic role.
  - India's participation in this new trilateral forum along with the US and its most important Asian-Pacific ally marks a new benchmark in India's integration into the **US "Pivot to Asia"**—Washington's drive to **militarily-strategically isolate and encircle China.**
  - The US has long been pressing India to join US-led trilateral and quadrilateral initiatives with Japan and its other key military partner in the region, Australia.



- “The U.S. concept of Asia Pivot revolves **around isolating China and creating a block of Regional and Extra Regional 2nd tier powers** to strategically suffocate China in the 21st century. These 2nd tier powers include **India, Australia and Japan.**”
- The three Ministers discussed maintaining maritime security through greater collaboration and appreciated **Japan’s participation in the 2015 Malabar naval exercise**. Humanitarian assistance and disaster relief also featured in the first trilateral ministerial meet.
- China had objected to the participation of Japan, Australia and Singapore in **Malabar 2007 exercise**, which was hosted by India in the Bay of Bengal.
- To promote regional economic linkages, the three Ministers launched an **expert-level group on regional connectivity** to identify collaborative efforts, including between south and southeast Asia.

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# 10. RUSSIA

## 10.1. INDO-RUSSIA RELATION

- On 24th December 2015, Prime Minister Narendra Modi and Russian President Vladimir Putin signed 16 agreements.
- Annual Summit meeting between the Prime Minister of India and the President of the Russian Federation is the highest institutionalized dialogue mechanism under the Strategic Partnership between India and the Russian Federation.
- Indian PM has put on the fast-track the Druzhba-Dosti (friendship) vision that he signed with Putin in Delhi last year to strengthen and expand bilateral relations by the next decade.

### Agreements include:

- Manufacture of Russian Kamov 226 helicopters in India,
- An accord for cooperation in the field of helicopter engineering,
- Making Russian-designed nuclear reactors in India,
- Technical cooperation in the railway sector,
- Construction of solar energy plants in India
- Exploration and production of oil in Russia.

### Importance of these agreements for India:

- The agreements signed in Russia will provide a significant boost to the Make in India and solar mission programmes.
- Agreement on manufacture of Kamov 226 helicopters in India is the first project for a major defence platform so these would boost defence manufacturing in India and India's defence readiness with next-generation equipment which ultimately helps in Make in India project.

### Background

Russia is "all-weather friend" of India.

- The Russians have given us unwavering support on Kashmir.
- They backed us when we did our nuclear tests.
- They stood by us during Kargil war.
- They helped us with our nuclear power plants and submarine projects and in the defence sector.
- India too has steadfastly backed Russia.
- We didn't decry Russia's Afghan invasion of 1979, we didn't join the chorus when it annexed Crimea last year, and we tacitly support its current involvement in Syria.

### Concerns in relations

- India a growing strategic relationship with the US after the path-breaking civilian nuclear deal.
- Russia under a resurgent Vladimir Putin challenged the US and Europe, and in doing so, cosied up to India's arch Asian rival China and even flirted with Pakistan.
- Distance between two nations.

### Convergence of interests

Both India and Russia have now realized that in their quest for global power status, it is imperative that they restore the climate of intimate friendship.

### Russia needs India as:

- A market for its goods to bypass Western sanctions imposed after its power push in Ukraine.
- The forthcoming Transatlantic Trade and Investment partnership driven by the US will also force Russia to eye markets beyond Europe. India is a natural partner.

- Despite its renewed friendship with China, Russia will soon find itself in competition with it as Beijing regards itself as the new G2 along with the US.
- India can help provide the multi-polarity that Russia fiercely seeks.

#### **India needs Russia because**

- It can meet its abundant energy requirements at a cost-effective price.
- Despite expanding its defence purchases from the US, Israel and Europe, India still needs to collaborate with Russia to master future technology including for space.
- It improves India's bargaining power when it negotiates arms sales with the West.
- Russia can be a major market for Indian industry such as pharmaceuticals, manufactured goods, dairy products, bovine meat and frozen seafood.
- Geopolitically, Russia continues to be a balancing force against any designs China and Pakistan may have in our region.

#### **Future perspective**

- The bilateral trade target of \$30 billion they set for 2025. Currently it hovers around \$10 billion and to achieve a three-fold increase in trade is a tall ask.
- While defence cooperation has moved from simple buyer-seller to one of joint research, development and production of advance technologies, these projects need to be executed swiftly. Particularly the projects on the fifth generation aircraft and air transport programmes and the new tie-up to manufacture helicopters in India.
- Indian investment in Russia now totals \$7 billion and comes mainly from the oil and gas sector. ONGC-Videsh has a 20 per cent stake in Sakhalin-1 and acquired Imperial Energy Tomsk, which has oil-producing assets. Russia's Gazprom and GAIL signed a 20-year contract to supply LNG. And Rosneft has tied up with Essar for long-term supply of crude oil and feed stocks. Meanwhile, Tata has plans to set up an assembly line for mini lorries and buses.
- In pharmaceuticals, the Sun Group, Ranbaxy and Lupin are expanding their operations in Russia.
- There is tremendous potential in diamond, fertilisers and food sectors that needs to be exploited by India Inc.
- Russia too needs to step up its investments in India which currently stands around \$3 billion. Sistema, the Russian telecom giant, ran into trouble with its joint venture in India, Shyam Sistema Telelinks, when it lost 21 of its 22 licences in India after a Supreme Court ruling in the 2G spectrum case.

Major opportunities are opening up for Russian companies in India to invest in Modi's 'Make in India' initiative in sectors such as defence equipment, civil aviation and in railways.

- India on its part has to learn to absorb Russian technology and reduce bureaucratic hurdles.

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## B. IMPORTANT INTERNATIONAL EVENTS

### 1. USA PRESIDENT VISIT TO CUBA

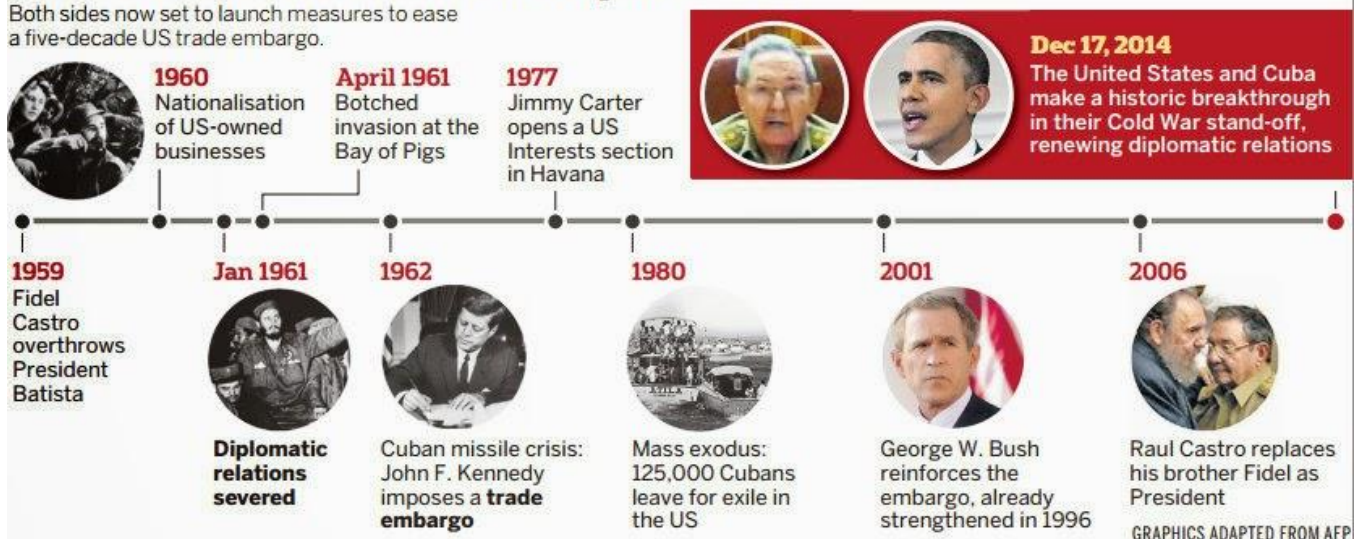
President Barack Obama paid historic visit to Cuba. President visit has opened a new chapter in U.S. engagement with the island's Communist government after decades of animosity between the former Cold War foes.

- Obama is the first serving U.S. President to visit Cuba after Calvin Coolidge in 1928.
- Visit shows that patience and creative diplomacy can work in solving even complex situations rooted deep in historical and ideological hostility.

**U.S.-Cuba relations since Fidel Castro seized power in a 1959 revolution:**

#### The US and Cuba in historic revival of diplomatic ties

Both sides now set to launch measures to ease a five-decade US trade embargo.



#### Rapprochement process since December 2014

- President Obama and his Cuban counterpart Raúl Castro began a process of rapprochement in December 2014.
- Washington took a number of steps, including removing Cuba from its list of nations charged with sponsoring terrorism, to restore confidence in bilateral relations.
- In July 2015, The U.S. and Cuba announced the reopening of embassies in Washington and Havana for the first time in over 50 years.

#### Way forward for full normalization of relations:

- President Castro demanded that the embargo be lifted and Guantánamo returned to Cuba for full normalisation of relations.
- USA is still skeptical about Cuba in following matters:
  - ✓ Treatment of dissidents.
  - ✓ Human rights violations.
  - ✓ State control over economy.

#### US-Cuba relation timeline

- Cuba and the United States have been ideological foes since soon after the 1959 revolution that brought Fidel Castro power.
- Washington broke diplomatic relations with Havana in 1961 as Cuba steered a leftist course that turned it into a close ally of the former Soviet Union.
- The hostilities were punctuated by crises over spies, refugees and the Cuban missile crisis of October 1962 that brought the world to the brink of nuclear war, and Bay of Pigs incident when U.S. tried to topple Mr. Castro in 1961.

## Bay of Pigs 1961

- Fidel Castro had been a concern to U.S. policymakers since he seized power in Cuba with a revolution in January 1959. As a political strategy Castro's attacked U.S. companies and its interests in Cuba.
- In March 1960, President Dwight D. Eisenhower ordered the CIA to train and arm a force of Cuban exiles for an armed attack on Cuba. John F. Kennedy inherited this program when he became president in 1961.
- The failure at the Bay of Pigs cost the United States dearly. Castro used the attack by the "Imperialists" to solidify his power in Cuba and he requested additional Soviet military aid. Eventually that aid included missiles, and the construction of missile bases in Cuba sparked the Cuban Missile Crisis of October 1962.

## Cuban Missile Crisis 1962

- During the Cuban Missile Crisis, leaders of the U.S. and the Soviet Union engaged in a tense, 13-day political and military standoff in October 1962 over the installation of nuclear-armed Soviet missiles on Cuba.
- On October 22, 1962, President John Kennedy (1917-63) notified Americans about the presence of the missiles, explained his decision to enact a naval blockade around Cuba and made it clear the U.S. was prepared to use military force if necessary to neutralize this perceived threat to national security. Following this news, many people feared the world was on the brink of nuclear war. However, disaster was avoided when the U.S. agreed to Soviet leader Nikita Khrushchev's (1894-1971) offer to remove the Cuban missiles in exchange for the U.S. promising not to invade Cuba. Kennedy also secretly agreed to remove U.S. missiles from Turkey.

## 2. YEMEN CRISIS

A United Nations-backed ceasefire between the Saudi-allied forces and Shia Houthi rebels took effect in Yemen.

### Yemen Conflict time line

- **September 21, 2014:** Houthi rebels seize government and military sites in Sana'a. Rival groups sign a U.N.-brokered peace deal stipulating a Houthi withdrawal from the capital and formation of a new government.
- **October 14, 2014:** The Houthis seize the Red Sea port of Hodeida, 230 km west of Sana'a, then move toward the centre without opposition from government forces but face fierce resistance from AQAP and its tribal allies.
- **January 20, 2015:** Houthis attack Mr. Hadi's residence and seize the presidential palace, and the President and Prime Minister resign two days later.
- **February 6, 2015:** The rebels announce they have dissolved Parliament and installed a presidential council to run the country. The United States and Gulf monarchies accuse Iran of backing the Houthis. In the south and southeast, authorities reject what they brand a coup attempt.
- **February 21, 2015:** Mr. Hadi flees south to Aden after escaping from weeks under house arrest and urges the international community to "reject the coup," rescinding his resignation and subsequently declaring Aden the temporary capital.

### Saudi Arabia led air strikes

- The advance of the Houthis raised Saudi fears that the Shia minority rebels would seize control of the whole of its Sunni-majority neighbour and take it into the orbit of Shia Iran.
- Saudi Arabia, spearheaded a coalition of nine Arab states, began carrying out airstrikes in neighbouring Yemen on 25 March 2015, heralding the start of a military intervention in Yemen, codenamed **Operation Decisive Storm**.



- The airstrikes that followed have transformed Yemen into another arena for the regional struggle between Saudi Arabia and Iran.
- But after a year of relentless bombing by Riyadh, the Houthis still hold the capital city and control much of western Yemen.
- The stateless chaos amid a disastrous war has helped **al-Qaeda expand its footprint** steadily in the country and also country is facing **serious humanitarian crisis**.
- Observers say the fighting in the strategic Mideast nation is taking on the appearance of a proxy war between Iran, the Shiite powerhouse backing the Houthis, and Sunni-dominated Saudi Arabia.
- Saudi Arabia, the main Sunni power, believes that the rebels are backed militarily, financially and politically by its Shia regional arch-rival.
- The real reason for the conflict lies in the **complex geopolitics of the region**. Saudi Arabia sees the **Houthis as a front for Iran** and does not want a **Shia-dominated government in its backyard**.

### Impact of conflict on Yemen

The conflict has ruined large parts of the country and raised tensions in West Asia, with Saudi Arabia and its Sunni allies backing the government and Shia powerhouse Iran supporting the rebels.

- **Rise of extremist**
  - ✓ The stateless chaos amid a disastrous war has helped **al-Qaeda in the Arabian Peninsula (AQAP)** expand its footprint steadily in the country, and it now runs a mini state from southeastern Yemen.
- **Humanitarian catastrophe.**
  - ✓ The war has turned Yemen into a humanitarian catastrophe.
  - ✓ More than 6,000 people, half of them civilians, have been killed since the Saudi bombing started, and about two million have been displaced.
  - ✓ An estimated 80 per cent of the population needs humanitarian assistance, while millions of children face malnutrition.

### Way forward

Three previous attempts to reach a ceasefire had collapsed mainly due to difference between Iran and Saudi Arabia.

- The ceasefire to succeed, the regional powers should set aside **their geopolitical games** and come together to address the **humanitarian problem pragmatically**.
- Any practical solution will require **an end to external military intervention** and a cessation of violence, followed by the **formation of a government of national unity**. These cannot be achieved unless Iran and Saudi Arabia cooperate, and in a manner that puts their selfish interests aside.

### Who are the Houthis?

- The Houthis are followers of the Shia Zaidi sect, the faith of around a third of Yemen's population. Officially known as Ansarallah (the partisans of God), the group began as a movement preaching tolerance and peace in the Zaidi stronghold of North Yemen in the early 1990s. The group takes its name from Hussein Badreddin al-Houthi, who launched an insurgency in 2004.
- The group launched an insurgency in 2004 against the then ruler Ali Abdullah Saleh that lasted till 2010. They participated in the 2011 Arab Spring inspired revolution in Yemen that replaced Saleh with Abdrahbu Mansour Hadi.
- They subsequently participated in a National Dialogue Conference (NDC), which led to President Hadi announcing plans in February 2014 for Yemen to become a federation of six regions.

### 3. IRAN NUCLEAR DEAL

A landmark Iran nuclear agreement was reached between Iran and six world powers is a historic step forward that solves an over-a-decade-long stand-off between Iran and the West.

The agreement looks like a “win-win deal” for all sides.

- Under its terms, sanctions imposed by the U.S., the European Union and the UN would be lifted, in return for Iran agreeing to long-term curbs on its nuclear programme.
- All of Iran’s nuclear facilities would be allowed to continue operations. This provision will let the Iranian government sell the deal to its public, pointing out that its right to generate nuclear energy stays intact.
- Tehran has also agreed to a “snapback” mechanism, under which some sanctions could be reinstated after 65 days if it violated the deal.
- A UN weapons embargo would remain for five years and a ban on buying missile technology for eight years.

**TAKEAWAYS OF THE AGREEMENT**

Deal struck after intense, fractious negotiations

- Iran will reduce its enrichment capacity by two-thirds
- Will stop using its underground facility at Fordow for enriching uranium
- Stockpile of low enriched uranium will be reduced to 300kg
- U.N. inspectors will be allowed to enter Iranian sites, including military sites, when the inspectors have grounds to believe undeclared nuclear activity is being carried out there
- U.N. weapons embargo would be in place for five years

#### Global implications

- It sets the stage for a **radical realignment of equations in West Asia**, and has the potential to transform the conflict-ridden region in the long term.
- The U.S. would like Iran to no longer be a spoiler power and instead play a stabilising role in West Asia, suited to its interests. On the other hand, before effecting any structural change in its foreign policy orientation, Iran would seek strategic assurance from Washington that it would not return to anti-Iranism
- **Cooperation between US-Iran:** Tehran and Washington are engaged in Syria and Iraq. They share common interests in Afghanistan.

#### Opposition to deal

- Israeli Prime Minister Benjamin Netanyahu said he and his Cabinet are united in "strongly opposing" an emerging framework agreement on curbing.
- Powerful sections, including the Republicans in the U.S., hardliners in Iran, and the Israelis and Saudis, remain steadfastly opposed to a U.S.-Iran rapprochement.

#### India’s benefit

- A peaceful, stable Iran is vital for its interests, particularly for energy security and connectivity.
- India has tried hard to maintain its civilizational ties with Teheran in the face of international sanctions, and pressure from the US. However bilateral trade with Iran has suffered because of banking and insurance strictures. India and Iran have an annual bilateral trade of about \$14 billion, with an extremely high balance of trade problem.
- The big advantage for India could be a further reduction in the price of oil that India used to source at a much higher quantity pre-2012, when Iran was India’s second biggest supplier.
- An important benefit of a peace agreement will also be a renewed push to complete the Chabahar port route to Afghanistan, which for India could mean the opening up of Iran-Afghanistan trade and also a route to Central Asia.
  - ✓ Many people in India perceive the Mausam Project and the Spice Route as rivals to the Maritime Silk Road.



## 4. ASEAN TRADE CORRIDOR

China called for the fuller economic integration with the Association of South East Asian Nations (ASEAN), steered by the Nanning - Singapore Economic Corridor under the framework of the Maritime Silk Road (MSR).

### “Nanning - Singapore Economic Corridor”

- “Nanning Consensus” to build the Nanning-Singapore Economic Corridor, more formally dubbed as the China-Indo-China Peninsula International Corridor.
- The core initiative aimed at economic integration, would connect eight major cities—Singapore, Kuala Lumpur, Bangkok, Phnom Penh, Ho Chi Minh City, Vientiane, Hanoi and Nanning.
- The Nanjing- Singapore corridor will cover two related trajectories. While one line will head towards Vietnam, the other would be expended to the less developed Laos, Cambodia and Myanmar.
- "The China-Singapore Economic Corridor is a transnational land route economic belt which runs through countries in Indo-China Peninsula.
- The Corridor is an important part of the Maritime Silk Road in the 21st Century.

### Analysis

- Once the corridor enters implementation phase “**labour-intensive and resource-intensive industries**” would cascade in the direction of Laos, Cambodia and Myanmar.
- Economic integration with ASEAN **could ease the tension in South China Sea**.
- The corridor is being structured to help China to shift its excess manufacturing capacity to the less developed zones in the ASEAN.
- It also aims to reduce the influence of USA that is proposing economic integration through The **Trans-Pacific Partnership, or TPP**.

(\* India- ASEAN will be covered comprehensively in the updation material to be released in Nov’2016)

## 5. EUROPE’S REFUGEE CRISIS

### Background

More than a million migrants and refugees crossed into Europe in 2015, sparking a crisis as countries struggled to cope with the influx and creating division in the EU over how best to deal with resettling people.

According to the IOM, more than 3,770 migrants were reported to have died trying to cross the Mediterranean in 2015. Most of them are from West Asia, particularly from the war-ravaged countries of Syria, Iraq and Libya; many are also from the disturbed areas of Africa. A substantial number of refugees are also from Afghanistan and Pakistan

### The role of the Euro-Atlantic powers to destabilize west Asia

West Asia in the past was not like this; despite **illusive democracy**, there was **political stability** and **economic activities** flowed quite smoothly. West Asia was and is **geo-economically** extremely relevant for the U.S. and its allies due to having an **abundance of energy resources**.

It was in pursuance of **narrow political objectives** that Western powers entered West Asian territories and destabilised them.

- **Iraq:** Iraq is in ruins, even though it does not possess any weapons of mass destruction.

### NEW GROWTH ENGINE SHAPES UP

The corridor is aimed at the economic integration of eight major cities in southeast Asian countries

• The project was proposed by China's Guangxi province as a blueprint for **China-ASEAN economic integration in 2006**

• It is estimated to be 5,000 km long with **198 km in Chinese territory**

• The corridor will spur capital flow into less developed nations and stimulate growth of **China-ASEAN free trade area**

• Nanning is well positioned to link up through a waterway the **prosperous Pearl River Delta region** of Guangdong, Hong Kong and Macao



• Singapore can operate as the **corridor's gateway to the global economy** through its well-established sea and air linkages

- **Libya:** Libya was bombed by NATO in 2011 after getting sanctions through the United Nations Security Council Resolution, 1973, and is currently a battleground for different ethnic groups fighting to capture political power.
- **Syria:** There is enough evidence to prove that on the pretext of supporting pro-democratic forces in Syria, western powers ended up helping the radical groups, providing necessary fodder for the birth of the deadly Islamic State.
- **Yemen:** western power supporting the Saudi Arabia led coalition forces that are bombing and destroying Yemen.
- **Afghanistan:** Afghanistan, also one of the known battlefields of the Cold War, was deserted by the West after the disintegration of the Soviet Union. But it was revisited post-9/11 by the Euro-Atlantic powers to destroy Al-Qaeda's terror network. Yet, even after the death of Osama bin Laden, political instability continues in Afghanistan.
- Afghanistan is caught in an unending civil conflict and Pakistan's socio-economic condition is continuously deteriorating.

#### Why migration?

- Endless conflict has ruined the **social, political and economical structures** of some countries in West Asia, making it impossible for people to have a secure livelihood. This is what makes people flee their own countries to other parts of the world, in search of **peace, employment and stability**.
- **Freedom from conflict** is important reason for large scale migration.

#### Why Europe?

- Europe is the closest wealthy, safe and accessible region from the Mideast and Africa.
- Also, some European countries are known for welcoming asylum seekers and providing benefits to help them get started in their new homes.
- Europe is the most preferred destination for the people from these fragile regions as it is economically prosperous, socially secure and has better immigration laws.
- Europe is experiencing one of the most significant influxes of migrants and refugees in its history.

#### How is Europe responding?

- Faced with a situation of a heavy influx of refugees, Europe is unwilling to welcome people into its territory.
- European countries disagree about how to handle the crisis. Southern countries like Greece and Italy want other countries to take them in. European Union rules say migrants should be settled where they first land, but now enforcement of those rules is becoming impossible.
- The European Union has unveiled a refugee quota plan to address the crisis, but is already facing opposition from eastern members

#### Analysis

- Western power irresponsible acts for achieving narrow political objectives have destabilised West Asia, and now European countries cannot turn their backs to the problems of the refugees.
- In this regard, it is also crucial for the EU to involve the U.S. Similarly, the stable countries of West Asia should be contacted to provide some respite to these refugees.
- If the goal is to stop the migration, that would require ending the conflicts in Syria, Iraq and elsewhere.

## 6. CHINA ROLE IN AFPAK-CENTRAL ASIA

China has decided to exercise leadership in plugging the roots of instability in Afghanistan, Tajikistan and Pakistan.

#### Quadrilateral mechanism

- Top military commanders from China, Pakistan, Afghanistan and Tajikistan met in Urumqi, Xinjiang province to form a **"Quadrilateral Cooperation and Coordination Mechanism in Counter Terrorism."**

## Reasons for formation of Quadrilateral mechanism

- China is concerned about the security of **Xinjiang province and OBOR projects** due to rise of terrorist groups in this region and also the inter-linkage of these terror groups.
- The disruption of **another quadrilateral dialogue** on seeking a political reconciliation in Afghanistan, involving **China, Pakistan, Afghanistan and the U.S.**
- China is seeking a political solution to the Afghan crisis **to promote the OBOR initiative**, and on grounds of enhancing its national security.

## 7. US-PAKISTAN

The USA has decided to block \$300-million military aid to Pakistan for its failure to take sufficient action against Haqqani network.

U.S. has blamed that Pakistan's military and intelligence services play a **"double game"** with the United States by maintaining friendly links with Afghan insurgent and anti-India militant groups

### Coalition Support Fund (CSF)

- Following 9/11 terror attacks, US Congress began appropriating billions of dollars in 2002 to reimburse Pakistan and other nations for their **operational and logistical support of US-led counterterrorism operations.**
- CSF accounts for nearly half of overt US financial aid to Pakistan since 2001.
- Pakistan is the largest recipient of CSF reimbursements, having received roughly USD 14 billion since 2002,

### Haqqani Network

- The Haqqani Network has carried out a number of kidnappings and attacks against U.S. interests in Afghanistan, as well as Afghan government and civilian targets.
- The group is also blamed for several deadly attacks against Indian interests in Afghanistan including the 2008 bombing of the Indian mission in Kabul.

### F-16 sale to Pakistan

The USA administration has moved ahead with its plan to sell eight F-16 fighter planes to Pakistan.

### USA arguments for sale

- Supply of F-16 fighter jets to Pakistan will help combat terrorism.
- These fighter planes have enhanced the Pakistani military's precision-strike capabilities.

### Opposition to deal

- India has opposed the sale of F-16 to Pakistan . India has insisted that Pakistan is still harboring terrorist organizations that are threat to India's security.
- The Pakistani and Taliban-linked terrorist group Jaish-e-Mohammed is believed to be behind the recent attack on India's Pathankot Air Force base.
- Many USA lawmakers have opposed the deal on the grounds that Pakistan continues to support terror outfits. Some have also raised the point these nuclear capable planes could be used to threaten India and destabilise the region.

### Congress move

- Initially, the \$700 million deal for eight F-16 multi-role fighters, was to be partially financed through the U.S. Foreign Military Financing (FMF) programme but the Congress disallowed subsidising the sale.
- The subsidising was disallowed over concern that Pakistan had not done enough to end the dreaded Haqqani network's terror sanctuaries on its soil as well as fears over Islamabad's nuclear programme.

## 8. FAILED COUP IN TURKEY

A section of Turkey's military tried to overthrow President Tayyip Erdogan who has been in power since 2003. The government has blamed **Fethullah Gulen**, a powerful, reclusive US-based Muslim cleric whom it accuses of fomenting unrest.

### Why the Turkish military revolted?

The rise of Mr. Erdogan to power in 2002 had challenged the military both **ideologically and institutionally**.

- In terms of ideology, Mr. Erdogan's **AK Party's** Islamist politics was fundamentally different from the military's Kemalist secularism.
- Mr. Erdogan's government also took a series of steps in its initial years such as limiting the **jurisdiction of the military court** and bringing the appointment of senior military figures under civilian control **to weaken the military's influence in society and over state**.
- **Weakening of state:** Erdogan has contributed to the weakening of the state in many ways:

### **Disastrous foreign policy**

**Crisis in Syria:** When **crisis broke out in Syria** in 2011, Mr. Erdogan was one of the first leaders who called for President Bashar al-Assad's resignation. Since then he actively backed Islamist rebels in Syria.

- This was largely counterproductive. First, it deepened the Syrian civil war, sending a huge number of refugees into Turkey.
- Second, the hands of Islamic State were strengthened by the Syrian conflict. The IS is now occasionally attacking Turkey.
- Turkey's involvement in Syria had turned Russia against the country. The Russian sanctions had seriously impacted the country's Central Asia plans.

### **Islamisation**

- Forced Islamisation that has sharpened the contradiction between the Islamist and secular sections.
- The military has had tensions with Mr Erdogan's Justice and Development Party (AKP) over its brand of political Islamism.

### **To rewrite the constitution**

- The push to rewrite the Constitution to award more powers to himself.
- The president has also cracked down on free media and is seen as an authoritarian by many people.

### **Impact of coup attempt**

- Thousands of people have been arrested or sacked since the failed coup.
- Rights groups believe **political opponents are being rounded** up under the pretext of backing the coup-plotters or the alleged mastermind, US-based cleric Fethullah Gulen.
- Turkey's president has declared **a state of emergency** for three months.

### **Role of Military in Turkey**

Historically the Turkish military held considerable sway over politics.

- It's a popular institution with relative autonomy **Kemalism, the country's founding ideology, and secularism**.
- The military sees itself as upholders of Kemalism, the form of democratic nationalism and secularism ushered in by founding father Mustafa Kemal Ataturk in 1923.

### **Turkey as secular state**

The Republic of Turkey was created as a secular state in 1923 after the collapse of the Ottoman empire at the end of first World War.

- Its founder Mustafa Kemal Ataturk was president until his death in 1938. His successor Ismet Inonu introduced multi-party democracy in 1946.
- Turkey witnessed repressive military coups in 1960, 1971 and 1980.
- In 1997 the Turkish military also forced out current President Recep Tayyip Erdogan's late mentor Necmettin Erbakan from the premiership.

## 9. BREXIT

Brexit is the inelegant shorthand for Britain's withdrawal from the European Union. The United Kingdom opted for a momentous change of course by voting to leave the European Union in a closely-fought referendum.

### How UK voted?

The referendum turnout was **71.8%, with more than 30 million people voting**. This was the second referendum on Britain's relationship with the European project. In 1975, in a referendum on whether the U.K. should stay or leave the **European Community (Common Market) Area**, the country voted for staying in with a resounding 67.2 per cent vote.

	Leave	Remain
United kingdom	52%	48%
Scotland	38%	62%
Northern Ireland	44%	56%
England	53.4%	46.6%
Wales	52.5%	47.5%

### Argument put up by both sides during run up of referendum

Issues	Remain side argument	Exit side argument
<b>Immigration</b>	The pro-EU members argue that EU migrants contribute more to the national economy than they take out.	The anti-immigration parties argue this puts a severe strain on national resources and add up to welfare expenditure.
<b>Security</b>	In the era of international terrorism and criminality, cooperating with the EU will make the U.K. safer	The security risk will in fact increase if the U.K. does not have control over its borders.
<b>Employment</b>	As three million jobs are tied to the EU there could be a jobs crisis if the U.K. leaves the EU.	There will be a jobs boom without the fetters that EU regulations impose.
<b>Trade</b>	Access to the single European market, free of tariffs and border controls, is critical for the U.K. as 45 per cent of its trade is with the EU	The EU needs British markets and individual trade deals with European countries can be easily negotiated.
<b>Economy</b>	Leaving the EU will put the dominance of London, the Europe's financial centre, at risk as banks will move out.	London's status is unassailable as it is already a global power base.

### Britain's exit process

- To begin the withdrawal process, Britain must invoke **Article 50 of the EU's Lisbon treaty**, which has never been used before.
- The first step is to inform the European Council of member states which sets the clock ticking on a **two-year timetable of negotiations**.

## Impact on United Kingdom

### Political instability

The results have thrown mainstream British politics into turmoil.

- Prime Minister David Cameron, the architect of the referendum and supporter of Britain within the European Union, announced that he would be stepping down as Prime Minister in October.
- Mr. Cameron's resignation announcement is predicted to spark a **leadership contest in the deeply divided Conservative Party.**

### Unity of kingdom

The first is the real threat to the geographical integrity of the U.K. as a fallout of Brexit. Scotland and Northern Ireland had voted in favour of remain in Brexit referendum.

- Scottish National Party leader Nicola Sturgeon's declared that she would block **the United Kingdom's exit** from the European Union.
- Scotland is "highly likely" to hold a **second independence referendum from U.K.**
- If Scotland gets another independence vote, calls for **Northern Ireland to be merged with the Republic of Ireland**, an EU member, could gain momentum.
- **Londoners** (as the petition addressed to Mayor Sadiq Khan has already attracted a million signatures), has even called for London to declare independence from the U.K.

### Economic impact

- **Depreciation of Pound:** The immediate effect can be seen in the drastic fall of the pound.
- Chances of **investment moving from U.K.** to other EU countries
- In long run London may lose its prominence place as financial Hub in Europe.
- Economic uncertainty at least for two year due to negotiation from EU to leave and new architecture of economic relation.

### Impact on India

- Can impact the inflow from **foreign portfolio investors (FPIs)** to India.
- Brexit will have an impact on **India's GDP growth.**
- Domestic investors are concerned about the direct negative impact that some of the India-based companies and sectors that have **investments and exposure to Britain will suffer.**
- A third of the Indian investment in the UK is in the **IT and telecom sector.** With Britain's exit, a requirement for **separate headquarters for Europe and Britain might crop up.**
- With the reactionary fall in the pound, **Indian investors stand to gain in the short run** as they can acquire property in the UK at a cheaper rate.
- Weaker pound to benefit **Indian tourists, students.**
- India is negotiating a **Free trade agreement (FTA)** with EU, Britain's exit means redrafting of FTA text.
- Currency depreciation will further increase **risk aversion** and put more pressure on the weak Asian currencies.
- Rupee depreciation may accentuate Balance of Trade (increase in current account deficit).

### Impact on EU

- The biggest worry about the Brexit vote is that it has opened a Pandora's Box.
- The biggest fear was of contagion, with immediate calls by **far-right leaders in France** and the **Netherlands** for their countries to hold their own votes on EU membership.
- EU urged Britain to leave as "soon as possible" amid fears the devastating blow to European unity could spark a chain reaction of further referendums.
- **Anti-immigration groups in EU** are emboldened by the exit.
- Forces of **nationalism and Sub-nationalism** will gain ground after Britain's exit.
- The fallout could also hit **Europe's fragile growth.** Rapid depreciation of Euro will impact competitiveness of EU market.

- There are chances that Europe may adopt **strong immigration act**.
- The Brexit vote has deepened fears among mainstream politicians across Europe about the rise of **eurosceptic, anti-establishment parties**.
- **Financial impact:** Much of the EU's money comes from its member states. And the UK is one of the larger contributors.
- **Political impact:** U.K is a permanent member of United Nations Security council (UNSC), Britain's exit will reduce political clout of EU in world Affairs.
- **Expansion of EU:** it will have impact on those countries (Like Turkey) that are willing to join European Union.

## 10. TERROR ATTACK IN BELGIUM

A series of deadly explosions rocked Belgium's capital, targeting the main airport of Zaventem and the city's metro system.

- At least 34 people have been killed in bombings at the Zaventem airport and the Maelbeek metro station that took place.
- Brussels, which hosts key European Union institutions, is the de facto capital of Europe.

### Islamic state (IS) Terrorist group

- The Islamic State group, which was behind the Paris attacks, claimed responsibility for the Brussels bombings.
- The Islamic State in particular has carried out a number of attacks across the world, from Paris to Ankara, in recent months.

### Why public places are attacked by IS?

- The IS is facing **military setbacks** in and around the so-called 'caliphate'.
- There is rationale for IS to attack public places and kill innocent people
  - ✓ First, not being able to expand the territories of the 'caliphate', the **IS wants to export terrorism** to other countries so as to stay 'relevant' and find more recruits.
  - ✓ Second, and more important, the IS is fighting a war against the civilisational values of the modern world. By attacking the public, it wants to create panic in free and open societies, break their social cohesion and then reap the dividends.

### Why Belgium?

- Belgium has been a focus for counterterrorism officials for years because of the large number of Belgian foreign fighters who have traveled to join ISIS and other terror groups in **Syria** and **Iraq**.
- **Per capita, Belgium has the highest number of foreign fighters** in Syria of any Western European nation.
- Several cities have housed Islamist cells, but the most active have been in Brussels and in the **south-western suburb of Molenbeek** in particular - an area with a high ethnic Moroccan population and a high rate of unemployment.
- The terror attack on Brussels is not about a revenge strike, but about the **intense radicalisation deeply entrenched in broader communities and neighbourhoods**.

## 11. USA PRESIDENT VISIT TO RIYADH

U.S. President **Barack Obama** visited **Saudi Arabia** to attend a regional summit of Gulf leaders.

### U.S.-Saudi Relations

On the face of it, the U.S.-Saudi relations are riddled with contradictions.

- One is a **democracy** that has even embedded human rights issues into foreign policy actions.
- The other is a closed society ruled by a **conservative, authoritarian family**.

- But **economic and strategic interests** — the U.S.'s dependence on the Gulf for oil, the fight against Soviet communism and the war on terror — had helped both countries set aside these contradictions and build a strong partnership based on trust.
- The Saudis have primarily looked to the United States **to help ensure its security** in an often unstable region. The U.S. has helped Saudi Arabia, a Sunni-dominated state, to obtain weapons to deter Iran, a mostly Shia country.
- The United States has looked to Saudi Arabia as a **source of stability in the West Asian region.**

### Rift in the U.S.-Saudi alliance

With the region witnessing massive changes, this partnership has come under enormous strain. There has been distrust and disagreement over how to contain **Iran, the fight against the Islamic State, the future of Syria and clashes in Yemen.**

- **Egypt:** Washington refused to protect the regime of Hosni Mubarak.
- **Syria:** The Obama administration is against bombing Bashar al-Assad's regime because it thinks a collapse of the state in Syria would help the Islamic State.
- **Iran:** Saudi Arabia was against Iran **nuclear deal.** U.S. wants Iran to play a more responsible role in regional politics, especially in stabilising Iraq and defeating the IS in Syria: both are vital for American interests in the region.
- **Anti-Saudi sentiments in U.S.**
  - ✓ **'9/11 bill':** A legislation tabled in the Senate which if passed would allow victims of the 9/11 terrorist attack to sue Saudi Arabia.
  - ✓ **Saudi aggression in Yemen:** Strategic thinkers point out that the Saudi military campaign has allowed al-Qaeda in Arabian Peninsula (**AQAP**) a free rein in Yemen.
  - ✓ Civil society groups focused on the **human misery caused by the Saudi action in Yemen.**

### Reasons for change in U.S. policy

- One reason is that the U.S. is no longer dependent on the Gulf for oil, thanks to its domestic shale boom.
- Another is the realisation in Washington that it needs Iran to stabilise the region.

### Analysis

Divergence of U.S. stand in many issues in west Asia does not mean it is going to abandon Riyadh or embrace Tehran. Both the U.S. and Saudi Arabia still need each other.

- The U.S. provides **military and intelligence support** to the kingdom for its regional security.
- Saudi Arabia helps **fight terror groups like al-Qaeda** and remains the second-largest provider of oil imports to the United States.
- The U.S. is still committed to the **security of its Gulf allies.**
- On the other side, Washington and Tehran do not even have **full diplomatic relations.**



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## C. IMPORTANT INTERNATIONAL/ REGIONAL GROUPS AND SUMMITS

### 1. ASEM SUMMIT

The **11th Asia-Europe Meeting Summit** took place in the Mongolian capital Ulaan Baatar.

- India is represented by Vice-President Hamid Ansari.
- The ASEM is an informal inter-regional dialogue that addresses political, security, financial, economic, social and cultural issues.

#### About ASEM

It was officially established on 1 March 1996 at the first summit in Bangkok, Thailand.

**Its objective is to strengthen the relationship between the two regions in a spirit of mutual respect and equal partnership. There are 53 partners of ASEM. India is also part of ASEM.**

The main components of the ASEM process rest on the following 3 pillars:

- Political Pillar
- Economical Pillar
- Social, Cultural & Educational Pillar

### 2. APEC SUMMIT, 2015

The 2015 Economic Leaders' Meeting of the Asia-Pacific Economic Cooperation (APEC) summit took place between November 18 and 19 in Manila, the Philippines.

#### Issue of India's membership: Background

- India has long sought membership in the APEC forum, for strategic, diplomatic, and economic reasons.
- India doesn't sit on the Pacific Ocean has led the grouping to see New Delhi's participation as antithetical to the geographic logic of the organization.
- Beyond geography, the question of India's membership hadn't come up seriously for some time due to a moratorium on APEC membership that was established in 1997 for a ten year period and extended again in 2007 for an additional three years.
- Since 2010, with no moratorium currently in place, some APEC members have expressed concerns that India's inclusion could offset the "balance" of the grouping away from its Pacific Rim focused given India's clout.
- Beyond the balance issue, opponents of India's accession to the group cite New Delhi's tendency to drive a hard bargain in trade negotiations (at the Doha round of the WTO, for instance).

#### Developments at 2015 summit

- A policy task force led by former Australian Prime Minister Kevin Rudd and the Asia Society Policy Institute (ASPI) recommended that APEC should consider India's request for membership.
- However, the issue of India's membership was not kept on the agenda of 2015 summit.

#### Why APEC needs India

- India is the region's third largest and now fastest growing major economy. APEC economies, which account for 60 percent of global GDP, are experiencing sluggish growth and must look for opportunities to bring new markets
- India is also projected to be the world's third largest economy by 2030 and will need well over \$1 trillion of investment in infrastructure over the next decade.
- With Trans-Pacific Partnership (TPP) trade agreement becoming into a reality APEC needs to reinvent itself.

- On the supply side, India's labor force, which will be the largest in the world by 2030, will help offset the impact of aging populations and shrinking work forces in APEC economies.
- India's trade with APEC economies, which has grown rapidly over the last fifteen years will grow further once it joins APEC.
- A forward-looking commitment to India's economic future is precisely the kind of bold initiative needed to boost stubbornly sluggish regional and global growth.

#### Advantages for India

- India's inclusion in APEC will give a boost to its 'Act East Policy' and will further integrate the Indian economy into the Asia-Pacific economic milieu.
- Apart from facilitating greater regional economic integration, APEC promotes the development of small and medium enterprises in the member countries by 'removing hurdles to starting a business, getting credit, dealing with permits, enforcing contracts and trading across borders.
- Inclusion of India in APEC will act as catalyst for **further economic reforms in the country.**

### 3. UN RESOLUTION AGAINST ISIS

The UN Security Council authorized countries around the world to "take all necessary measures" to fight the Islamic State in a resolution that won unanimous backing.

- This does not constitute an authorization for military action.
- Introduced by France, the Security Council resolution was an attempt to show international unity in the wake of the Paris attacks.

#### Should India join the fight against ISIS?

##### Arguments in favour

- The Indian Air Force (IAF) and the Indian Army have been fighting extremists in Kashmir and eastern India for decades. India also stamped out separatism in Punjab. Such immense counter terror experience could be very valuable in the war against ISIS.
- **India's armed forces will gain invaluable experience of fighting on foreign soil.**
- India has rarely intervened outside the scope of the United Nations. The country is known as the reluctant superpower because it rarely ventures into global hot spots. Its entry into war against ISIS will propel its image as a global force.

##### Arguments against

- A foreign mission in Iraq and Syria will cost the Indian exchequer massively. At a time when India's financial situation is not positive, engaging in a war against ISIS will be a financial debacle.
- Sending troops to Iraq and Syria might further cause resentment among the minorities and it can also increase the possibility of Jihadi attacks in India.

### 4. FORUM ON CHINA-AFRICA COOPERATION (FOCAC)

African continent is increasingly becoming the next theatre of global attraction and competition because of natural resources, demography and socio-economic development. To harness the opportunity various countries including China have made huge investments in the continent.

#### In news

The Johannesburg Summit and the 6th Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) were held in Johannesburg from 3 to 5 December 2015.

#### About the FOCAC 2015

- It is an official forum which has greatly boosted the political influence of China-Africa relationship and served as an important driver for China-Africa practical cooperation in various areas.

- There have been five summits held to date, with the last meeting occurred from July 19-20, 2012 in Beijing, China.
- FOCAC had become both a key platform for collective dialogue between China and African countries, and an effective mechanism for practical cooperation.
- The next FOCAC at the Ministerial level will be held in China in 2018.
- It assumed importance for China as India organized **India-Africa summit** with a wide participation to boost India-Africa relations.

### Significance

- It is only the second time (the first being in 2006) that it has been held at the Summit level. Ever since its establishment, FOCAC dialogue has been at the ministerial level.
- The Summit was well attended with the participation of almost 50 African Heads of State/ Government.
- The two-day Summit ended with the issue of the **Johannesburg Declaration and an Action Plan**.
- An impressive financial assistance package of **\$ 60 billion** was announced by President Xi. With the theme of “Africa-China Progressing together: Win-win cooperation”, the event addressed all the major aspects of China- Africa relations.
- The package covers ten cooperative projects in various sectors.

### Changed context

- Given the slow-down in the Chinese economy and related problems, the quantum of the financial package surprised many. China is to move away from investment and manufacture led growth to one driven by consumption. All this notwithstanding, China is not short of funds to promote cooperation with Africa.
- On the African side also, there is a new scenario. With reduced demand from China for resources and the general fall in commodities prices many African nations dependent on them are facing the heat leading to decreased export earnings and the consequent budgetary problems.

### More than a pure economic agenda

- There are political and strategic interests involved. These aspects are clearly mentioned in the Johannesburg Declaration with emphasis on non-interference in internal affairs and rejection of use or threat of force and rejecting attempts to misrepresent the results of the second World War .The most significant is the reference to “respect for each other’s core interests”.
- A major strategic outcome of the Summit was to upgrade the “new type of Strategic Partnership” established in 2006 to a “Comprehensive Strategic and Cooperative Partnership”.
- Today, China has the largest number of peace-keepers in Africa among the P-5 countries.

## 5. ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)

It is a **multilateral development bank** (MDB) conceived for the 21st century. The AIIB will complement and cooperate with the existing MDBs to jointly address the daunting infrastructure needs in Asia.

- The AIIB have **authorised capital of \$100 billion**, and **Asian countries contributed up to 75%** of total capital. **Each member is allocated a share of the quota based on their economic size**, according to the agreement.
- The capital of the bank is \$100 billion, equivalent to 2/3 of the capital of the Asian Development Bank and about half that of the World Bank.
- **China (30.34 %), India (8.52%) and Russia (6.66%)** are the three **largest shareholders**. Their voting shares are calculated at **China- 26.06%, India-7.5% and Russia- 5.92%**. Importantly, China will have 26.06% of the voting rights within the multilateral institution, giving it a **de facto veto** in some key decisions despite its insistence it will not have such powers.
- The bank started operation after the agreement entered into force on 25 December 2015, after ratifications were received from 10 member states

### Reasons for establishment of AIIB

- The AIIB will extend China's financial reach and compete not only with the World Bank, but also with the Asian Development Bank, which is heavily dominated by Japan.
- China and other emerging economies, including BRICS, have long protested against their limited voice at other multilateral development banks, including the World Bank, International Monetary Fund and Asian Development Bank (ADB).
- China is grouped in the 'Category II' voting bloc at the World Bank while at the Asian Development Bank; China with a 5.5 per cent share is far outdone by America's 15.7 per cent and Japan's 15.6 per cent share.
- Lack of infrastructure, poor intra-regional and regional connectivity and almost negligible amenities in urban spaces are some of the major challenges afflicting several countries of Asia.
- The Asian Infrastructure Investment Bank (AIIB) has been projected as an **"Asian tool"** to deal with such challenges that have stunted the growth prospects of several Asian economies.

### Importance of AIIB for India

Connectivity and infrastructure within the country and with countries in the neighbourhood are critical for rapid socio-economic development.

- India is striving to develop its **north-eastern region**, a goal which can be swiftly achieved through greater regional cooperation and the support of multilateral funding agencies. For this purpose, India may consider pushing **BBIN (Bangladesh-Bhutan-India-Nepal) corridor** and the **Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC) corridors** under its AIIB proposals.
- India is identifying projects worth \$2-3 billion that could be funded by the Asian Infrastructure Investment Bank (AIIB).

### Concerns with AIIB

- China is the **largest shareholder with 26.06** per cent voting shares, may dominate AIIB.
- India and Russia are the second and third largest shareholders with 7.5 and 5.92 percent voting shares respectively. The gap between the first and second shareholder might tempt **China to use its veto power on a particular project.**
- China wants India to be a part of the **OBOR (One Belt, One Road)**. Most of the projects funded by AIIB are likely to be linked to OBOR in the long-run.
- India has not shown a willingness to be a part of the OBOR.
  - ✓ Apprehensions vis-à-vis the **transparency of the OBOR agenda**,
  - ✓ Challenges related to equitable benefits for all,
  - ✓ The proposed **China-Pakistan economic corridor** which would pass through Pakistan-occupied Kashmir,
  - ✓ China's repeated incursions into Indian territory are major factors shaping India's stand on OBOR.

## 6. NUCLEAR SUPPLIERS GROUP (NSG)

Nuclear Suppliers Group (NSG) is a multinational body concerned with reducing nuclear proliferation by controlling the export and re-transfer of materials that may be applicable to nuclear weapon development and by improving safeguards and protection on existing materials.

- The NSG was founded in response to the Indian nuclear test in May 1974 and first met in November 1975.
- As of 2014 the NSG has 48 members.
- China's announced that it intends to oppose India's membership of the Nuclear Suppliers Group unless it agrees to sign the Non-Proliferation Treaty (NPT).
- Beijing links Delhi's membership with Pakistan entry to the NSG.
- India got an exemption from the NSG for **nuclear imports in 2008**, following the civil nuclear deal with the U.S., despite not being a signatory to the NPT
- As the 48-member **NSG works by consensus**, not majority, India is reaching out to every possible country, much like the push at the UNGA for reforms.
- Four UN member states have never joined the NPT: **India, Israel, Pakistan and South Sudan.**

## NSG Plenary

The annual plenary session of the Nuclear Suppliers Group was held in **Seoul**. At the session, The Nuclear Suppliers Group (NSG) did not take decision on India's application to join the group as a full member.

### Opposition to India's membership

Both India and Pakistan, which have applied for NSG membership, have not signed the NPT. While India's case is pushed by the US, China is backing Pakistan.

- 38 countries out of 48 were in favour of India's membership.
- China has strongly opposed India's membership citing to **procedural hurdles (not signatory of NPT)**.
- Ireland and New Zealand took the line that the **criteria for admission for non-NPT** states should be discussed first while India's membership can be taken up later.
- Six countries, including Brazil and Switzerland, said they wanted a discussion on **criteria and India's membership to take place simultaneously**.

### Importance of NSG membership

- India is keen to become a member of the NSG, apart from being stakeholders in the Wassenaar Agreement and Australia Group, **to expand its nuclear power generation**.
- India also wishes to enter the **export market** in the coming years.
- Membership with the NSG will **provide greater certainty and a legal grounding for India's nuclear regime**, evoking greater confidence of countries that invest billions of dollars to set up ambitious nuclear power projects in India.
- With India committed to reducing dependence on fossil fuels and ensuring that 40% of its energy is sourced from renewable and clean sources, there is a pressing need **to scale up nuclear power production**. This can only happen if India gains access to the NSG.
- With access to latest technology, India can **commercialize the production of nuclear power** equipment. This in turn will boost innovation and high tech manufacturing in India and can be leveraged for economic and strategic benefits.
- India's entry into the NSG will **strengthen the global non-proliferation regime**.
- It will **formalize 2008 waiver** that we got from NSG.
- Not being a member, India does not have any full control over **future amendments**. It means that the waiver that India enjoyed, in a sense, **can be reversed by subsequent amendments**.
- There has been one major change in guidelines which is that the **NSG in 2011**, adopted a new rule which introduced **a non-proliferation treaty criterion** for the export of **reprocessing and enrichment (ENR) equipment**.

### Why India should get NSG membership

- India has declared a voluntary moratorium on further underground nuclear tests. By doing so India has effectively acted in sense and spirit of NPT/CTBT.
- India's nuclear doctrine is non-offensive, non-proliferative and only for deterrence (No first use policy) unlike that of many Western powers. Thus India has established itself as a responsible nuclear state.
- It has acquired high-level expertise in safe utilization of nuclear technologies; mastered effective control of the associated consequences of its civilian usage and prepared to accept full-scale IAEA safeguards.
- India has already acquired high-level expertise in the peaceful use of nuclear energy in industry, power, agriculture and health care.
- India's membership of the NSG shall not only benefit it but also encourage civil nuclear trade globally without compromising on world peace and harmony.

## 7. MISSILE TECHNOLOGY CONTROL REGIME (MTCR)

India became the **35th member** of the MTCR. India's efforts to get into the MTCR also got a boost after it agreed to join the **Hague Code of Conduct**, dealing with the ballistic missile non-proliferation arrangement.

### Significance of membership

- The MTCR membership will provide a boost to **India's space and missile technology**, besides the government's Make in India initiative.
- India's space programme will be an obvious beneficiary, albeit belatedly – in the 1990s, New Delhi's pursuit of **Russian cryogenic engine** technology was stymied by the MTCR.
- MTCR membership will enable India to buy **high-end missile technology** and also enhance its joint ventures with Russia.
- Membership will ease the way for New Delhi to **export its supersonic BrahMos cruise missile**, co-developed with Russia
- India will be able to **import Predator drones** from the US.

### About MTCR

The Missile Technology Control Regime (MTCR) is a multilateral export control regime. It is an **informal and voluntary partnership** among 35 countries to prevent the proliferation of missile and unmanned aerial vehicle technology capable of carrying above 500 kg payload for more than 300 km.

- China, Israel and Pakistan are not members of MTCR.
- USA, UK, Russia, France, Japan, Italy, Germany, Brazil, South Korea and Australia are prominent members of the group.

## 8. HAGUE CODE OF CONDUCT (HCOC)

The **International Code of Conduct against Ballistic Missile Proliferation**, also known as the **Hague Code of Conduct (HCOC)**, was established on 25 November 2002 as an arrangement to prevent the proliferation of ballistic missiles.

- The Hague Code of is a **voluntary legally non-binding multilateral** body aimed at preventing the spread of ballistic missiles that can deliver weapons of mass destruction.
- India joined the HCOC on 1 June 2016.
- The number of signatories of HCOC is 138 (136 UN members, the Cook Islands and the Holy See).
- **China, Pakistan, Israel and Iran** have not yet joined the voluntary regime.
- By signing the HCoC India could demonstrate its commitment towards the global non-proliferation and disarmament regimes.

## 9. COMPREHENSIVE NUCLEAR TEST BAN TREATY

The **Comprehensive Nuclear-Test-Ban Treaty (CTBT)** is a multilateral treaty by which states agree to ban all nuclear explosions in all environments, for military or civilian purposes. It was adopted by the United Nations General Assembly on 10 September 1996 but it has not entered into force due to the non-ratification of eight specific states.

- The CTBT with its 183 signatories and 163 ratifications is one of the most widely supported arms-control treaties.
- The CTBT has yet to become global law due to its demanding entry into force clause, which requires the **signature and ratification of all 44 countries** listed as nuclear technology capable.
- At present, eight of those countries are yet to join: India, Pakistan and North Korea are the only non-signatories from this list.

### India's objections to CTBT

- India's objection to the CTBT is that as with the earlier nuclear treaties, it divides the world permanently into **nuclear "haves and have-nots"**.
- CTBT only deal with horizontal proliferation not vertical proliferation (refers to the upgrading and further development of more sophisticated weapons by the existing nuclear powers by simulation). India called for a treaty that banned **all types of nuclear weapons tests**.

- Nuclear weapon states have already acquired sophistication before signing treaty that is discriminatory against India.
- India's security concerns are not addressed.
- **No time frame mentioned to dismantle existing nuclear weapons.**
- CTBT is silent on **complete nuclear disarmament**. India is "committed to working towards a CTBT that will promote the goal of total nuclear disarmament".

### If India signs CTBT

Following advantage India can drive by signing CTBT:

- India can gain admission into the institutions governing the global nuclear order, which essentially means membership of strategic export control cartels such as **Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR)**, **Australia Group and the Wassenaar Arrangement**.
- Signing the CTBT would also make India's claim for a **UNSC seat stronger**.
- Once India signs the CTBT, some of the other hold-out states are likely to follow, such as Pakistan, China and USA.
- It may **end nuclear race in Asia**.
- To respond to global developments in **nuclear disarmament and arms control** as a responsible stakeholder in the non-proliferation regime.
- India will get information from **International Monitoring System (IMS)** of the Comprehensive Nuclear-Test-Ban Treaty Organisation's (CTBTO).

### India' role in nuclear Disarmament

India position is very clear and consistent about complete nuclear disarmament,

- Prime Minister Jawaharlal Nehru's famous initiative in 1954 for a "standstill agreement" on nuclear testing.
- Nehru played an important role in building international momentum for the 1963 Limited Test Ban Treaty, which India joined.
- Rajiv Gandhi's impassioned plea to the U.N. General Assembly in 1988 for phased nuclear disarmament.
- India played a key role in the negotiations to establish the International Atomic Energy Agency (IAEA) and actively participated in the negotiations on the NPT, but decided not to sign when it became clear that it would become an unequal treaty.

## 10. RESPONSIBILITY TO PROTECT (R2P)

The Responsibility to Protect (R2P or RtoP) is a global political commitment endorsed by all member states of the United Nations at the 2005 World Summit to prevent genocide, war crimes, ethnic cleansing and crimes against humanity.

### Pillars of R2P

There are three pillars of the responsibility to protect

- The State carries the primary responsibility for protecting populations from genocide, war crimes, crimes against humanity and ethnic cleansing, and their incitement;
- The international community has a responsibility to encourage and assist States in fulfilling this responsibility;
- The international community has a responsibility to use appropriate diplomatic, humanitarian and other means to protect populations from these crimes. If a State is manifestly failing to protect its populations, the international community must be prepared to take collective action to protect populations, in accordance with the Charter of the United Nations.

### Criticism of R2P doctrine

The R2P doctrine has been used selectively for regime change rather than humanitarian causes. The critics worry that humanitarian intervention of the Western variety ignores causes and produces terrible outcomes.



- **Libya:** An uprising against the Libyan government in February 2011 provided the opportunity to test R2P.
  - ✓ UN resolution authorized NATO “to protect civilians and civilian populated areas under threat of attack,” yet NATO regarded it as a permission to bring upon regime change.
  - ✓ NATO exceeded the mandate of U.N.
  - ✓ Washington celebrated the success of the intervention — not for Libya’s sake, but for the sake of humanitarian intervention.
- **Israel- Palestine conflict:** The test for R2P came not during Israel’s bombing of Gaza in Operation Cast Lead (2008-09), after which a U.N. report found prima facie evidence of war crimes.
- **Syria:** There is no consensus about military intervention in Syria because in case of Libya North Atlantic Treaty Organisation (NATO) forces exceeded the U.N. mandate given to them. As a consequence, the BRICS are now suspicious of any resolution regarding Syria. Syria shows why the concept of “Responsibility to Protect” is in crisis.

## 11. UNSC REFORM

- The UN General Assembly unanimously adopted a negotiating text for the Security Council reforms.
- This is the first time in the history of the intergovernmental negotiation process that a decision on UNSC reform has been adopted by means of an official document.

### Need of UNSC Reforms

- The UNSC, created in the post-War context, doesn’t actually reflect the changes that have occurred in the **international system after the end of the Cold War**.
- In the past quarter century, the global order has seen massive changes, from American **unilateralism** to the rise of **multilateral institutions such as BRICS**.
- In a quarter century, the global economic architecture has undergone massive changes. The developing nations, including India, now play a **bigger role in international affairs**. But within the UN, the five permanent veto-wielding members still effectively take all the crucial decisions.
- The Indian position is that this **“democracy deficit in the UN prevents effective multilateralism”** in the global arena.
- The **geopolitical rivalry** among the permanent members has prevented the UNSC from coming up with effective mechanisms to deal with global crises.
- The way the **UNSC handled – or failed to handle** – some of the recent crises would underscore the soundness of the Indian position. Take the examples of Libya and Syria. While the western nations are accused of distorting the UNSC mandate in Libya, the Security Council failed to reach a consensus on how the Syrian crisis may be resolved. This clearly points to a **worsening institutional crisis** within the UNSC.

### India’s argument for UNSC seat

- India is among the **founding members of United Nations**.
- It is the **world’s largest democracy and Asia’s third largest economy**.
- The Indian Army is the largest contributor to the **UN peacekeeping mission** since the inception of the mission.
- More important, India’s foreign policy has historically been aligned with world peace, and not with conflicts.
- It has been a member of UNSC for 7 terms and a member of G-77 and G-4, so permanent membership is a logical extension.

### The Group of Four

- The Group of Four, or G4, Summit, took place after a decade, was hosted by Prime Minister Narendra Modi.
- Leaders of **Brazil, Germany, India and Japan** called for urgent reforms of the United Nations **“in a fixed time frame”**.

### Opposition to the expansion

- **Uniting for Consensus (UfC)** is a movement, nicknamed the Coffee Club, that developed in the 1990s in opposition to the possible expansion of the United Nations Security Council.

- ✓ Under the leadership of Italy, it aims to counter the bids for permanent seats proposed by G4 nations (Brazil, Germany, India, and Japan) and is calling for a consensus before any decision is reached on the form and size of the Security Council.
- ✓ The UFC demands a **25-member Security Council with more non-permanent members** instead of a few more permanent members.
- Three powerful members of the UNSC — Russia, China, and the U.S. — are opposed to any major restructuring of the Council.
- The U.S. favours only a “**modest expansion**” of the UNSC, while Russia doesn’t want any change in the veto arrangement.
- Even if the General Assembly members reach a consensus on reform, it could be shot down by the permanent members.

### Conclusion

- Meaningful reform of the Council to make it **more representative and democratic** would strengthen the UN to address the challenges of a changing world more effectively.
- India, Japan, Germany and Brazil, or the G4 — should continue their multilateral diplomacy to build a democratically evolved global consensus on restructuring the UNSC.
- The permanent members should realise that a more democratic and representative Security Council would be **better-equipped to address global challenges**.
- If the UN still shies away from reforming the Security Council, the possibility of the institution being **sidelined by emerging powers cannot be ruled out**.

## 12. CONVENTION ON SUPPLEMENTARY COMPENSATION FOR NUCLEAR DAMAGE (CSC)

India ratified the Convention on Supplementary Compensation for Nuclear Damage (CSC) at the International Atomic Energy Agency (IAEA) in Vienna five years after signing it.

### Advantage for India

- Address the **concerns of foreign nuclear equipment suppliers**. International nuclear reactor makers have been reluctant to set up plants in India because of a 2010 domestic liability law that makes equipment suppliers accountable for accidents and not the plant operators, as is the global norm.
- It will spur the growth of nuclear energy.
- India became part of a **global legal regime** that has established a standard for compensation of victims in the event of a nuclear accident.
- India will get access to **international funding**.

### About the convention

The CSC was adopted on 12 September 1997, together with the Protocol to Amend the Vienna Convention on Civil Liability for Nuclear Damage, and entered into force on 15 April 2015.

- The CSC is a convention that allows for increasing **the compensation amount in the event of a nuclear incident through public funds pooled** in by contracting parties based on their own installed nuclear capacities.
- It also aims at **establishing treaty relations among States** that belong to the Vienna Convention on Civil Liability for Nuclear Damage, the Paris Convention on Third Party Liability in the Field of Nuclear Energy.
- Seeks to establish a **uniform global legal regime** for compensation to victims in the unlikely event of a nuclear accident.
- The CSC provides for establishment of an **international fund** to increase the amount available to compensate victims and allows for compensating civil damage occurring within a **State's exclusive economic zone, including loss of tourism or fisheries related income**.

- It also sets parameters on a **nuclear operator's financial liability, time limits governing possible legal action**, requires that nuclear operators maintain insurance or other financial security measures and provides for a single competent court to hear claims.
- According to IAEA, **all states are free to participate** in the convention regardless of their involvement in existing nuclear liability conventions or the presence of nuclear installations on their territories.

#### **Criticism of India's move**

Many nuclear experts feel that this move violate the domestic Civil Liability for Nuclear Damage Act (CLNDA), 2010, Clauses 17(1)(B) and 46.

- Under Section 17(b), **liability for a nuclear accident can be channelled from the operator to suppliers of nuclear material**, specifically if the accident is due to an act of the supplier or his employee.
- Section 46 permits victims of a nuclear incident to **sue the operator or the supplier for damages** applying tort law.

### **13. IMF REFORM**

The IMF has announced implementation of its long due quota reforms which was approved by the US Congress.

#### **Key points of reform**

- More than **6 percentage points of the quota**, including both the Fund's capital and its proportionate voting rights, have been transferred from developed to emerging economies.
- Emerging and developing economies gained more influence in the governance architecture of the International Monetary Fund (IMF).
- **India's voting rights increase to 2.6** per cent from the current 2.3 per cent, and China's, to six per cent from 3.8
- For the first time, four emerging market countries (Brazil, China, India, and Russia) will be among the 10 largest members of the IMF.
- The greatest gains from the reforms accrue to the IMF itself, as the combined capital that its 188 member-countries contribute will increase to approximately **\$659 billion (SDR 477 billion) from nearly \$329 billion (SDR 238.5 billion)**.
- U.S voting share will marginally drop, from 16.7% to 16.5%. Though the country holds a veto power.
- Also for the first time, the IMF's Board will consist entirely of **elected Executive Directors**, ending the category of appointed Executive Directors. Currently, the members with the five largest quotas appoint an Executive Director.

#### **What is SDR?**

The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. Its value is currently based on a basket of **four major currencies (of the U.S. dollar, euro, Japanese yen, and pound sterling)**, and the basket will be expanded to include the **Chinese Renminbi (RMB) as the fifth currency, effective October 1, 2016**.

### **14. FOURTH NUCLEAR SECURITY SUMMIT(NSS)**

President Barack Obama hosted the fourth and last nuclear security summit at Washington.

#### **Background**

Nuclear Security Summit (NSS), an initiative of President Barack Obama to coordinate international efforts **to prevent terror organizations from acquiring nuclear weapons or material**. The first Nuclear Security Summit was held in Washington, DC in 2010, and was followed by additional Summits in Seoul in 2012 and The Hague in 2014.

## Goals of 4<sup>th</sup> NSS

There are twin goals for the 2016 Nuclear Security Summit advancing **tangible improvements in nuclear security** behavior, and **strengthening the global nuclear security architecture**.

### Major Outcome of 4<sup>th</sup> summit

- Summit endorsed the **central role of the IAEA in promoting nuclear security**
- The summit adopted five action plans pertaining to the **UN, IAEA, Interpol, the Global Initiative to Combat Nuclear Weapons (GICNT) and the Global Partnership** Against the Spread of Nuclear Weapons and Materials of Mass Destruction — the latter two being **informal arrangements** among a number of states.
- This summit brought a timely new focus on the link between **nuclear security and cyber security**.
  - ✓ Interpol's "**Operation Fail Safe**" initiative deals with the potentially dangerous nexus between cyber-attacks and nuclear risks.

### What are the achievements of the NSS?

- Since April 2009 more than 3.2 metric tons of vulnerable **highly enriched uranium (HEU) and plutonium** have been removed or disposed of.
- Thirteen countries and Taiwan have become **HEU-free**.
- **Physical security upgrades** have been completed at 32 buildings storing weapons-usable fissile materials.
- **Radiation detection equipment** has been installed at 328 international border crossings, airports, and seaports to combat illicit trafficking in nuclear materials.
- There has been a verified shutdown or successful conversion to **low enriched uranium (LEU)** fuel use of 24 HEU research reactors and isotope production facilities in 15 countries.

### What has been India's contribution to the NSS?

India has played an active role in these summits.

- India made a voluntary contribution of **one million dollars to the Nuclear Security Fund**.
- Established a **Global Centre of Excellence for Nuclear Energy Partnership (GCENEP)** in New Delhi.

### Prime minister announcement at 4<sup>th</sup> NSS

Prime Minister has announced several key initiatives taken by his government in the area of nuclear security and non-proliferation.

- The plan includes **development and deployment of technology** to deter and defend against nuclear terrorism.
  - ✓ Physical and cyber barrier.
  - ✓ Technological approaches.
  - ✓ Setting up a facility for medical grade 'Moly-99' using low enriched Uranium.
  - ✓ Using vitrified forms of vulnerable radioisotopes such as Cesium-137.
- India will participate in the informal international "**contact group**", which fosters cooperation in countering nuclear smuggling.
- India has also announced that **none of its research reactors will be using HEU** henceforth.
- India will host a meeting of **Global Initiative to Combat Nuclear Terrorism** in 2017.
- An international conference on countering nuclear smuggling is also being planned with Interpol.
- India will support IAEA's central role in nuclear security by a further contribution of USD 1 million to the **nuclear security fund**.
- A workshop with IAEA experts on **International Physical Protection Assessment Service (IPPAS)** will also be held in India.
- India will join **trilateral initiative of NSS** chairs circulated at IAEA by subscribing states as the joint statement on strengthening nuclear security implementation.
- India will also join **three gift baskets** for this summit in priority areas of **countering nuclear smuggling, nuclear security contact group** in Vienna, and sharing of best practices through Centres of Excellence such as India's own.

- PM also used the summit to focus on the threat to nuclear security posed by **state sponsorship of terrorist groups** and the pursuit of risky escalatory policies such as the **deployment of theatre nuclear weapons**.

#### Criticism of NSS

- The NSS focus is on enforcing nuclear security in the **non-military**.
  - ✓ With the process limited to non-military purposes, **83 per cent of nuclear material is outside its ambit**.
- The NSS has not been able to amend the **IAEA's convention on nuclear safety**.
  - ✓ That there is no legally binding outcome at the end of six years of the NSS process is seen as a major drawback.
- The NSS has focused on asking countries to tighten their national laws, rules and capabilities on nuclear security.
  - ✓ This has meant that military facilities are treated as national responsibilities and dealt with as per international obligations.
- The action plans adopted at 4<sup>th</sup> summit are **non-binding for states**.
- 4<sup>th</sup> summit was not attended by Russian President. Russia houses the largest number of number of nuclear weapons.
- Threat of nuclear terrorism cannot be eliminated till world possess nuclear weapons. There is no tangible progress in direction of complete nuclear disarmament.

## 15. RCEP-STANCE OF INDIA

#### Why in news?

- India has agreed to provide similar tariff cuts to all Regional Comprehensive Economic Partnership agreement (RCEP) member countries with limited deviation. This benefits China unduly.
- Earlier India proposed 3-layer tariffs.
- Japan has been pushing for a single-tier system to which India has now agreed.

#### Implications of the move

- ASEAN + 6 region becomes a large integrated market
- India is now expected to offer tariff reduction in more commodities to China.
- Indo-China trade has a staggering \$52.7 billion trade deficit with only \$9 billion of exports in 2015-16. This will increase negatively for us.
- Indian industry, especially the steel sector, faces risk of China using RCEP to try and gain more market access in India and dump other commodities. RCEP will tie the hands of policy makers.
- This may further undermine our 'Make In India' programme.

#### Challenges

- There is not much progress on the services front—India's main interest in RCEP—at the Laos ministerial.
- Other countries are not even keen to put it in writing that the trade deal will be signed as a single undertaking (that includes goods, services and investment) which India has insisted on.
- India has little to gain in getting market access in goods in other countries due to its poor infrastructure and weak manufacturing base and, hence, has been insisting on easier visa regimes for its burgeoning skilled professionals.
- However, a liberalization of trade in services remains a contentious issue for other member countries, with most showing reluctance to open up their labour market.
- RCEP will have a tough time balancing the conflicting needs of the stakeholders, comprising a mix of manufacturing and trading economies. Following the negotiations, all current FTAs will continue and RCEP will just be adding numerous new concession lists.

#### Significance of RCEP for India

- That provisions related to ever-greening of patents in the proposed RCEP were dropped after stiff opposition from India.

- **Regional trade agreements:** It is important for India to remain within RCEP as we are not part of the other two mega regional trade agreements of Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership.
- *India may emerge as an attractive investment destination for China.*
- **Employment potential:** The grouping envisages regional economic integration, leading to the creation of the largest regional trading bloc in the world, accounting for nearly 45% of the world's population with a combined gross domestic product of \$21.3 trillion.

#### Way forward

- India could ask for a longer phase-out period of tariffs for China, say 30 years.
- India's interests lie mostly in services, the removal of technical barriers to trade such as those taken under sanitary and phyto-sanitary measures, and trade in goods such as pharmaceuticals and textiles. It should actively pursue these.

## 16. TRANS-PACIFIC PARTNERSHIP (TPP)

The Trans-Pacific Partnership (TPP) is a trade agreement **among twelve Pacific Rim** countries signed on 4 February 2016. The 12 nations include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam.

- The aim is to ease the flow of goods, services and investments among them, and to strengthen the rules on labour standards, environmental issues, origin criteria and intellectual property.
- The TPP, a deal which will cover **40 percent of the world economy**.
- The mega trade deal, perceived to be a **counterweight to China's growing global economic clout**.
- The Office of the U.S. Trade Representative said the partnership eventually would end more than **18,000 tariffs that the** participating countries have placed.
- The TPP contains detailed obligations on so-called new issues such as labour, investment, environment, e-commerce, competition and government procurement.

**Impact on TPP's countries:** As per the World Bank the pact could help boost the overall GDP of member-countries **by 1.1 per cent by 2030**.

**Impact on India** (India is not part of the TPP)

- The World Bank projects a **limited 'trade diversion'** impact on non-members, including aggregate GDP losses of about 0.1 per cent by 2030
- India could suffer **market share losses** in certain categories of exports as a result of preference erosion
- The Trans-Pacific Partnership (TPP) is likely to indirectly impact India's exports in several industrial sectors such as **textiles, plastics, leather, clothing, cotton and yarn**.
- TPP has set very **high standards for the international trading regime** which could impact India's export to TPP countries.
- The operations and the production methods of India's public sector units (or SOEs) could also be constrained due to the TPP.
- Country's regime on investment, labour standards, **intellectual property rights (IPR)**, government procurement and State-owned enterprises (SOE) will also be affected.
- Some of the **TPP standards are higher than that of the WTO norms**, including on IPR and possible ever-greening of patents, which could hurt **India's pharma sector**.

#### To mitigate the impact of TPP

From India's perspective, remaining outside the TPP will certainly create trade diversion, but membership of the TPP could entail heavy costs without commensurate gains.

Due to **high standard and tough IPR regime** India could lose some of the advantage especially in **Pharma sector**. Medicine prices, for instance, would see steep increases. So it is imperative to mitigate the impact of TPP by adopting following measures.

- India should conclude, on a priority basis, its ongoing free trade negotiations. These include the India-EU Bilateral Trade and Investment Agreement and the mega Regional Comprehensive Economic Partnership (RCEP).
- India should **diversify export destinations** to hitherto untapped markets like Latin America and Africa.
- On the domestic front, India should accelerate the process of making its products more cost-competitive.
- Within the country, efforts must be made to enhance **the competitiveness of India's exports**.
- The government should launch a comprehensive initiative to enable Indian exporters to not only comply with standards prevalent in the importing market, but also demonstrate the compliance through appropriate conformity-assessment procedures.
- A cohesive trade policy approach on the international as well as domestic front, aimed at protecting and promoting India's trade interests.

## 17. BIMSTEC

The Union Cabinet has given its approval for signing and ratification of the **Bay of Bengal Initiative on Multi Sectoral Technical and Economic Cooperation (BIMSTEC) Convention on Mutual Legal Assistance in Criminal Matters**.

- The **Ministry of Home Affairs** has been designated as the Central Authority under Article 15 of the Convention.
- The establishment of regional arrangements for mutual assistance in criminal matters will greatly contribute to more effective cooperation in the control of criminal activities.
- The Convention aims to extend widest measures of assistance to each other through mutual cooperation for enhancing capability and effectiveness of the Member States in investigation and prosecution of crimes, including **crimes related to terrorism, transnational organized crime, drug trafficking, money laundering and cyber-crimes**.
- The BIMSTEC comprises of seven countries viz., **Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand**.

## 18. ASHGABAT AGREEMENT

The Union Cabinet has given its approval for India to accede to the Ashgabat Agreement, an international transport and transit corridor facilitating transportation of goods between Central Asia and the Persian Gulf.

- Accession to the Agreement would enable India to utilise this existing transport and transit corridor to facilitate trade and commercial interaction with the Eurasian region.
- Further, this would synchronise with our efforts to implement the **International North South Transport Corridor (INSTC)** for enhanced connectivity.
- This move will further strengthen **trade ties between India and the Eurasian region**.

### About Ashgabat Agreement

- An agreement between five countries on establishing a new international transport and transit corridor (Uzbekistan – Turkmenistan – Iran – Oman– Qatar) was signed on 25 April, 2011 in Ashgabat.
- **Qatar** had withdrawn from the agreement in 2013.
- “Ashgabat Agreement” forms the basis for developing the shortest trade route/corridor between the Central Asian countries and Iranian and Omani ports.
- **Oman, Iran, Turkmenistan and Uzbekistan** are the founding members of the Ashgabat Agreement, while **Kazakhstan** joined it subsequently.

## 19. SHANGHAI COOPERATION ORGANIZATION

India signed the memorandum of obligation in Tashkent, Uzbekistan to join the Shanghai Cooperation Organisation (SCO).

### Significance of India's Membership

- It opens up trade, energy and transit routes between Russia and China that pass through Central Asia, that were hitherto closed to India.
- Iran's observer status will ensure the SCO serves as a platform for India to discuss trade through the Iranian ports of Bandar Abbas and Chabahar, and link them to the Russian proposal for a North-South Transport Corridor.
- The security grouping provides a platform for India and Pakistan to discuss bilateral issues.
- With Russia and China taking the lead, the SCO could even prove a guarantor for projects such as the TAPI (Turkmenistan-Afghanistan-Pakistan-India) and IPI (Iran-Pakistan-India) pipelines that India has held off on security concerns.
- The SCO summit will provide a valuable interface to engage with Afghanistan's neighbours.
- The SCO is an important counter-balance to India's perceived tilt towards the U.S. and its allies on security issues.

## 20. CONFERENCE ON INTERACTION AND CONFIDENCE BUILDING MEASURES IN ASIA (CICA)

The **Conference on Interaction and Confidence-Building Measures in Asia (CICA)** is an inter-governmental forum for enhancing cooperation towards promoting peace, security and stability in Asia.

- CICA, which has 26 members including India, was formed based on a proposal by Kazakhstan President Nursultan Nazarbayev in 1992 to further inter government consultations.
- Fifth foreign ministers' meeting of the Conference on Interaction and Confidence Building Measures in Asia (CICA) was held in Beijing, China.

During the conference Chinese president unveiled security doctrine to counter **U.S. 'pivot'**

- China has invited Asian countries to join Beijing in framing a security governance model with **"Asian features"** to counter the **U.S. 'rebalance'** to the region.
- President Xi Jinping urged participants "to build consensus and step up dialogue" to foster "a security governance model with Asian features".

### Maritime dispute

- Tensions between the U.S. and China have spiked after the Chinese responded to the 'pivot' with fresh activism in the South China Sea.
- Washington has dubbed the growing Chinese assertion as a danger to **"freedom of navigation"** which could hamper the \$5.3 trillion trade that passes through the South China Sea.
- China has objected for **outside powers, or internationalisation**, for resolving differences among Asian countries
- The Chinese side has repeatedly slammed Manila's decision to petition the **Permanent Court of Arbitration in The Hague to settle its maritime claims with Beijing.**

### CICA

- Outside of the Shanghai Cooperation Organization (SCO), CICA is the second most important platform for international cooperation that does not include the United States and its important Asian ally, Japan, as members.
- CICA is a mechanism emphasizing the security situation in western Asia, with China and Russia as its dual cores.
  - ✓ The security of western China is partly dependent on the security situation in western and central Asia.
  - ✓ Likewise, the security of Russia's territory in the Caucasus region also depends on the concerted efforts of the central and western Asian countries.
- It is worth noting that CICA is currently just a mechanism, like the "Shanghai Five Mechanism," the precursor to the SCO. CICA has not yet become a group or organization, and thus its resolutions and policies are more symbolic than anything else.



## 21. RAISINA DIALOGUE 2016

### What is it?

- The Raisina Dialogue is envisioned as India's flagship conference of geopolitics and geo-economics.
- It is designed to explore prospects and opportunities for **Asian integration as well as Asia's integration with the larger world.**
- The 2016 conclave focused on **Asia's physical, economic, digital connectivity** and fostering common global spaces with an emphasis on Asia.
- It is based on **India's vital role in the Indian Ocean Region** and how India along with its partners can build a stable regional and world order.
- The conference was held jointly by **Ministry of External Affairs** and the **Observer Research Foundation (ORF)**, an independent think tank based in India.
- The theme of the conference was '**Asian connectivity**'.

### Importance of conference

- The conference is being seen as the government's attempt to rival conferences around the world that attract global players such as the Shangri-La dialogue in Singapore, and the Munich Conference on national security.
- The conference was being attended by speakers from 40 countries.
- The conference provided opportunity for India to cement its role in the Indian Ocean Region.
- India's Foreign minister pointed out that that India's plans for connectivity were "cooperative rather than a unilateral approach".

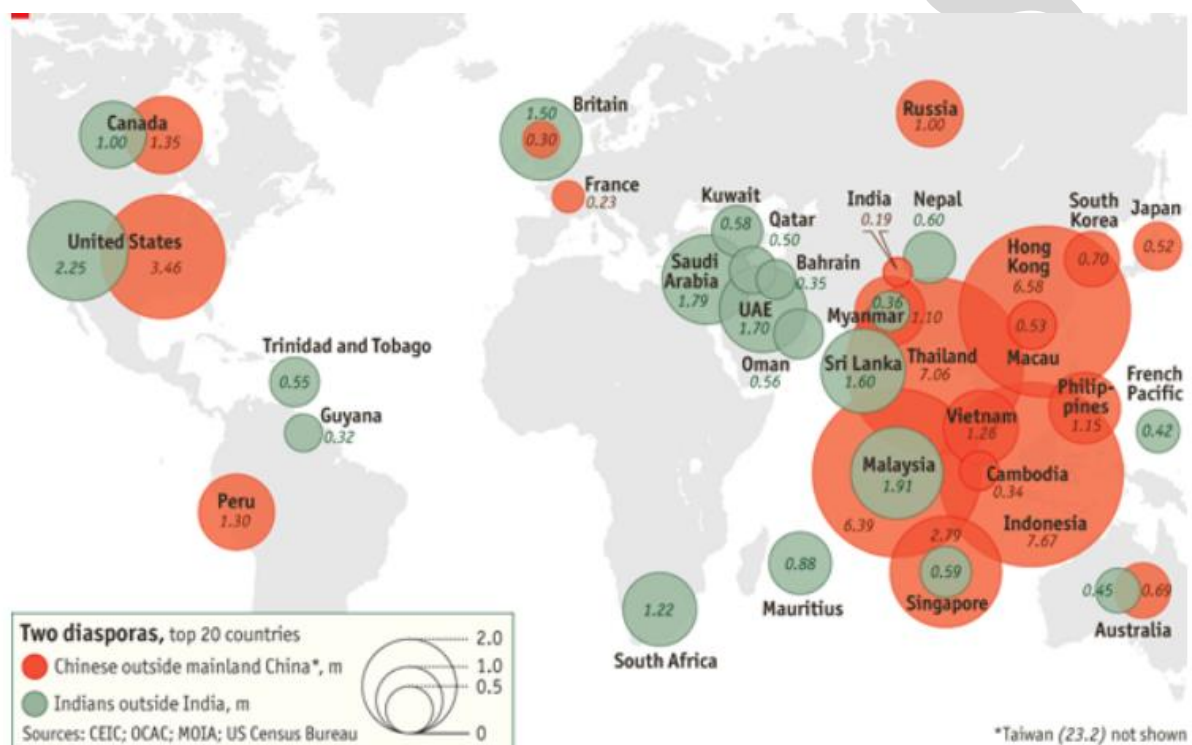
# D. INDIAN DIASPORA

## Background

- The Indian Diaspora is a generic term to describe the people who migrated from territories that are currently within the borders of the Republic of India. It also refers to their descendants.
- The Diaspora is currently estimated to number over twenty million, composed of "NRIs" (Indian citizens not residing in India) and "PIOs" (Persons of Indian Origin who have acquired the citizenship of some other country).

## Distribution

India has the second largest Diaspora in the world. The overseas Indian community estimated at over 25 million is spread across every major region in the world. The major concentration of Indian diaspora is in Middle East, U.S.A, U.K, Canada, Malaysia, Sri Lanka, and South Africa respectively.



## Trends:

- The overseas Indian community is the result of different waves of migration over hundreds of years driven by a variety of reasons-mercantilism, colonialism and globalization. Its early experiences make up a saga of trials, tribulations and the eventual triumph of determination and hard work.
- In the last three decades of the 20th century the character of migration began to change and a 'new Diaspora' led by high skilled professionals moving to the western world and semi-skilled contract workers moving to the Gulf, West and South East Asia emerged.

## Contribution

- Overseas communities constitutes a significant resource for the development of the countries of origin. It serves as an **important 'bridge' to access knowledge, expertise, resources and markets for the development** of the country of origin with the rest of the world.
- Indian diaspora is an important part of India's "**soft diplomacy**", For example, Indian diaspora played a critical in the fructification of **Indo-US Nuclear deal**.

- They have also contributed to the growth and development of the country of their residence. For example, Silicon Valley represents the success of Indians. 4 out of 10 startups in the region are Indian.
- The Indian Diaspora has played an important role in the **field of Science & Technology**. Indian emigration thus increasingly consisted, among others, of highly qualified scientists, engineers and other professionals, also termed as the Brain Drain.
- Of late, it has emerged as a **significant source of trade and investment in India**.
- Apart from the above, it is the source of **large inflows of remittances**, which has been helping balance the current account. According to the World Bank Indian diaspora is going to be the largest earner of remittances in the world in next few years.

### Major Issues pertaining to Indian Diaspora

- **Dual Citizenship:** Majority of Indian diaspora want to retain their Indian citizenship along with the citizenship of the country of their residence.
- **Consular and other issues:** The commonest grievance of the Diaspora is the ill treatment, harassment and the demands for illegal gratification it encounters at the hands of our customs and immigration officials at the points of entry.
- **Culture:** Indian Diaspora are deeply conscious of their rich cultural heritage. They are aware that they are the inheritors of the traditions of the world's oldest continuous civilization. Being part of such a rich legacy they are naturally keen to maintain their cultural identity.
- **Threat to their employment (Nitaqat Law):** It aims to replacing a large section of overseas workers with locals in Saudi Arabia. Because of this, overseas workers from Kerala, TN etc. affected.
- **Threat to their security:** In view of the recent cases of violence in the Middle East, there has emerged a new threat the very security of overseas workers in the region. For example, the recent kidnapping of Indian workers by IS group.

### Measures taken by the Government

- For giving special focus to the issues pertaining to the Indian diaspora, the government set up a dedicated **Ministry of Overseas Indian Affairs in 2004**. It provides all round services to the diaspora.
- The government has started, since 2003, the organization of **Pravasi Bhartiya Diwas**, to mark the contribution of the overseas Indian community to the development of India.
- The government has launched various schemes for the welfare of Indian diaspora living abroad, like **Pravasi Bhartiya Bima Yojana, 2006** etc.
- Know India Programme was launched as a three-week orientation programme for diaspora youth conducted with a view to promote awareness on different facets of life in India and the progress made by the country in various fields.
- **Overseas Citizenship of India Scheme (OCI):** The Scheme provides for benefits comparable to citizens in certain fields, like in economic and education fields etc. However, it is not a dual citizenship in true sense, rather it only gives life time, multiple and multi-entry visa with some rights.
- The Ministry of Overseas Indian Affairs is running a scheme known as **"Tracing the Roots"** to facilitate PIOs in tracing their roots in India.
- The Swarnapravas Yojana- New Plan Scheme: This scheme has been launched for promoting the employability of Indian workers abroad, given the large supply of labor force in India, by providing them appropriate training.
- Apart from all these, the government has signed social security agreements with many foreign countries for the protection of Indian community in those countries.

### Way forward

Though, the government has launched many a reforms and policies towards Indian diaspora. But still there is a need for certain improvements. In this regard following may be recommended:

- To ensure that Diaspora members feel welcomed on their arrival in India and also recall warmly their visits, a friendlier reception at their point of entry; easier procedures for immigration and customs clearances that are marked by courteous service are essential.
- To address the problems of our overseas blue-collar workers, following should be implemented at the earliest possible. These are:
  - a) Establishing a welfare fund for repatriated overseas workers in distress;
  - b) Negotiating a Standard Labour Export Agreements with the host countries;
  - c) Monitoring and supervision of both the employment contracts, and the conditions of our
  - d) overseas workers by our Missions;
  - e) Launching compulsory insurance schemes covering the risks faced by our overseas workers;
- The Diaspora can make a significant contribution to the growth of tourism in India. PIOs make frequent visits to their home state or to visit their relatives. There should be greater focus on promoting tourism among 2nd generation PIOs.
- There is the need to further liberalize the economy for overseas Indian community.
- A Parliamentary Standing Committee on the Indian Diaspora could be constituted. It should have in it, members with an interest in Diaspora affairs. This Committee could also act as a focal point for interaction with Parliamentarians of Indian Origin in other countries. Such exchanges are essential in order to bring about greater understanding and amity between them.

### **Conclusion**

To view the Diaspora only through the looking glass of remittances and financial flows is to take a myopic view. An overseas community can and does serve as an important 'bridge' to access knowledge, expertise, resources and markets for the development of the country of origin. Home countries are now beginning to recognize the need to pursue and promote the dynamic of the Diaspora and development. India cannot be an exception.

## E. PREVIOUS YEAR QUESTIONS

### 2015

1. Project 'Mausam' is considered a unique foreign policy initiative of the Indian Government to improve relationship with its neighbors. Does the project have a strategic dimension? Discuss.
2. Terrorist activities and mutual distrust have clouded India-Pakistan relations. To what extent the use of soft power like sports and cultural exchanges could help generate goodwill between the two countries? Discuss with suitable examples.
3. Increasing interest of India in Africa has its pros and cons. critically examine.
4. Discuss the impediments India is facing in its pursuit of a permanent seat in UN Security Council.

### 2014

1. With respect to the South China Sea, maritime territorial disputes and rising tension affirm the need for safeguarding maritime security to ensure freedom of navigation and over flight throughout the region. In this context, discuss the bilateral issues between India and China.
2. The aim of Information Technology Agreements (ITAs) is to lower all taxes and tariffs on information technology products by signatories to zero. What impact should such agreements have on India's interests?
3. Some of the International funding agencies have special terms for economic participation stipulating a substantial component of the aid to be used for sourcing equipment from the leading countries. Discuss on merits of such terms and if, there exists a strong case not to accept such conditions in the Indian context.
4. India has recently signed to become founding a New Development Bank (NDB) and also the Asian Infrastructure Investment Bank (AIIB) .How will the role of the two Banks be different? Discuss the significance of these two Banks for India.
5. WTO is an important international institution where decisions taken affect countries in profound manner. What is the mandate of WTO and how binding are their decisions? Critically analyse India's stand on the latest round of talks on Food security.

### 2013

1. The proposed withdrawal of International Security Assistance Force (ISAF) from Afghanistan in 2014 is fraught with major security implications for the countries of the region. Examine in light of the fact that India is faced with a plethora of challenges and needs to safeguard its own strategic interests.
2. What do you understand by 'The String of Pearls'? How does it impact India? Briefly outline the steps taken by India to counter this.
3. The protests in Shahbag Square in Dhaka in Bangladesh reveal a fundamental split in society between the nationalists and Islamic forces. What is its significance for India?
4. Discuss the political developments in Maldives in the last two years. Should they be of any cause of concern to India?
5. In respect of India - Sri Lanka relations, discuss how domestic factors influence foreign policy. 2013 What is meant by Gujral doctrine? Does it have any relevance today? Discuss.
6. The World Bank and the IMF, collectively known as the Bretton Woods Institutions, are the two inter-governmental pillars supporting the structure of the world's economic and financial order. Superficially, the World Bank and the IMF exhibit many common characteristics, yet their role, functions and mandate are distinctly different. Elucidate.
7. Economic ties between India and Japan while growing in the recent years are still far below their potential. Elucidate the policy constraints which are inhibiting this growth.

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**CSE 2013**



**GAURAV AGRAWAL**  
**AIR-1**

**CSE 2014**



**NIDHI GUPTA**  
**AIR-3**



**VANDANA RAO**  
**AIR-4**



**SUHARSHA BHAGAT**  
**AIR-5**

**AIR-1**  
**TINA DABI**



**AIR-4**  
**ARTIKA SHUKLA**



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